

WELCOME TO AMERICA?

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BEFORE THE
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CONTENTS

	Page
WITNESSES	
Mr. Charles Merin, President, Travel Business Roundtable	8
Mr. Peter Gadiel, President, 9/11 Families for a Secure America	16
Mr. Geoff Freeman, Executive Director, The Discover America Partnership	21
LETTERS, STATEMENTS, ETC., SUBMITTED FOR THE HEARING	
Mr. Charles Merin: Prepared statement	12
Mr. Peter Gadiel: Prepared statement	18
Mr. Geoff Freeman: Prepared statement	24

WELCOME TO AMERICA?

TUESDAY, MARCH 20, 2007

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON INTERNATIONAL ORGANIZATIONS,
HUMAN RIGHTS, AND OVERSIGHT,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:50 p.m. in room 2172, Rayburn House Office Building, Hon. William Delahunt (chairman of the subcommittee) presiding.

Mr. DELAHUNT. The Subcommittee on International Organizations, Human Rights, and Oversight will come to order. First, let me express my apologies to the witnesses for the delay but I am sure that you are aware that we have had a series of votes, and we are now some 45 minutes late. But we will get through this.

Let me just acknowledge the presence of the Republican chair of the Tourism and Travel Caucus in the House of Representatives, John Porter. John, thank you for joining us, and I will make a relatively brief statement, and after that I will ask my friend and colleague, the ranking member, to make a relatively brief statement, and then we will proceed to introduce the witnesses and listen to their testimony.

According to the Government Accountability Office, which is an independent branch of a nonpartisan independent association or agency rather of the U.S. Congress, anti-Americanism is broadening and deepening. We have had a series of hearings to examine the magnitude of this phenomenon, and we have taken testimony from highly regarded pollsters corroborating this conclusion by the GAO, and I will be scheduling additional hearings in the near future so that we can develop a complete and thorough understanding of this disturbing problem, both globally and in regional terms, and it is important to do so for the GAO also noted that there are profound consequences that flow from such a negative opinion of the United States.

For example, it can increase foreign public support for terrorism directed against Americans. It can reduce the effectiveness of our military operations. It can hurt our ability to align with other nations in pursuit of common policy objections, and the GAO further pointed out that our economy and commercial interests are at risk, and there is tangible and well-documented evidence of damage to our commercial interests because of negative perceptions of American policies and attitudes.

Today's hearing has as its focus the causes of the significant decline of legitimate overseas visitors to the United States, and the

ensuing losses to our national economy as well as missed opportunities to enhance our image abroad and to better serve our vital national interests. A few statistics underscore the economic damage. The decline in overseas visitors since 9/11 translates into a loss of some \$94 billion of visitor spending, a loss of some \$16 billion in tax revenue to Federal, state and local governments, and 200,000 American jobs.

Historically we have enjoyed a significant trade surplus because of international travel. In 1995, we registered a surplus of some \$26 billion. By 2005, that surplus had fallen precipitously to \$7 billion, a decline of some 72 percent. Between 2004 and 2005, the United States experienced a decline of some 10 percent in business travel while Europe experienced an 8-percent increase. The competition is leaving us behind.

In 2005, because of loss of our market share, we lost \$43 billion visitor spending alone. This data suggests that these economic concerns are mushrooming into a financial crisis that we can ill afford at this point in time. As important, if not more so, is the damage to our image at a time when it is critical to reverse the growing negative feelings of foreigners to protect our national interests.

I agree with the Under Secretary of State, Karen Hughes, that people-to-people democracy is vital to our public diplomacy efforts, and there are no better ambassadors for the United States than the American people. As foreigners come visit us, get to know us, understand our way of lives, I have no doubt that perceptions will change. Sixty-three percent of overseas visitors in a recent survey feel more favorable toward the United States as a result of that visit.

There was an article dated February 27 in *Newsweek* penned by Fareed Zakaria, an immigrant to this country, and he sums it up best. These are his words but they are eloquent:

“America as a place has often been the antidote to American foreign policy. When American actions across the world have seen harsh, misguided and unfair, America itself has always been open, welcoming and tolerant. The reality of the real America is a powerful repudiation of the propaganda and caricatures of its enemies.”

And with that, let me turn to my friend and colleague from California, the ranking member, for an opening statement but before I do that, Dana, let me acknowledge the presence of the Democratic chair of the Tourism and Travel Caucus in this House of Representatives, Sam Farr. Sam has been—along with John Porter—a leader in initiatives to ensure that we have a healthy, vibrant tourism industry that benefits the United States both economically and in terms of its image worldwide. Mr. Rohrabacher.

Mr. ROHRABACHER. Thank you very much, Mr. Chairman, and thank you for calling this very timely hearing. The issue of tourist travel, visa issuance, immigration and national security an inextricably linked, and therefore of utmost importance to our country, and I appreciate you holding this hearing.

I understand that two of our witnesses here today represent large, successful corporations that have a significant financial interest in ensuring convenient travel to and from the United States.

They represent some of the world's finest hotels, car rental companies, travel agencies and other corporations that provide work for our people and play a significant role in our economy, just as we have just heard that over the years that we have lost \$94 billion over a number of years in revenue from tourist revenue. That certainly is significant impact. Having a significant impact on our country. Also a significant impact on our balance of trade, as you have mentioned in your opening statement, Mr. Chairman.

Today we will hear these businessmen ask us to make changes in the way we issue visas. My friends in the business community have told me for years that a more open border would be better for their companies, and thus better for our country. Unfortunately there is a downside, perhaps not for these companies but for the United States of America. Already we understand with a large number of illegal aliens in our country—many of them who are visa overstays and reflecting a visa system that is not strong enough much less one that needs to be weakened—represents an enormous cost to this country and to the American people.

In 2002 alone, illegal immigrants cost the American taxpayers \$26.3 billion in 1 year. That is every legal taxpayer and family in California it is costing them \$1,183. So the cost of illegal immigration to the American taxpayers is certainly more since 9/11 than the cost to the travel industry since 9/11 of their disruption because of 9/11. Also I might add that the travel industry also needs to understand that they too hire illegal immigrants, and there is a problem there as well. So that, Mr. Chairman, the price or let us say the wage that the travel industry has to pay their employees actually is brought down by illegal immigration. Beneficial to your business, not good for the country, not good for other Americans.

Now I realize that this industry was heavily impacted in a very negative way by the disastrous events of 9/11, and again this industry has my sympathy. It offers a great deal of benefit to our economy, to our balance of trade but it also offers employment to not just illegal immigrants but to huge numbers of American citizens. So that is really important. That is a factor in my decision-making.

But I cannot imagine, although your industry has been affected by 9/11, I do not know anyone in this country that was not affected by this monstrous attack, this act of war that happened on September 11. Thousands of people have lost their jobs. Companies have gone bankrupt. Families have been uprooted. Military reservists and active duty personnel have been deployed for a year or longer. Divorce rates are up among the military because of this increased deployment. Worst of all, thousands upon thousands of Americans have lost loved ones or seen spouses come home wounded, disabled or disfigured.

We also remember that on 9/11 sons and daughters, brothers and sisters, husbands and wives suffered a horrible, painful, devastating death at the hands of 19 foreign travelers, 15 of whom came to this country on legal visas. All three witnesses who testify today before us today have had to deal with the losses traced back to that terrorist attack on September 11, 2001.

Two of them will describe the gripping financial losses to their industry, something that we can sympathize with. They will talk

about the loss of jobs and loss of profit. They will attribute the losses to today's implementation of our visa program. While there is some truth to that, I would say that yes, our visa program cries out for reform. However, the disruption and loss experienced since 9/11 is a result of a terrorist war that was declared upon us by an organized group, a well-financed group of international Islamic extremists. Those are the villains. Those are the ones who have caused this disruption.

The other witness that we have today and we will hear from him soon has had to deal with a loss of his own. It is not financial. In fact, Peter Gadiel's loss is one that reflects a loss that you cannot put a price tag on, and you cannot put on a graph or a chart. Mr. Gadiel's loss cannot be outlined in a boardroom with a PowerPoint presentation. Peter Gadiel's son, James, worked for Kantor Fitzgerald, and on the morning of September 11 James went to work on the 103rd floor of the north tower of the World Trade Center.

James' building was struck by American Airlines flight 11, piloted by Mohammed Atta. The airplane that day also with Mohammed Atta had a fellow hijacker, and Abdul Aziz al Amari and the two other hijackers who were in that plane received their visas through a special expedited program designed to permit easier access to friendly and free spending Saudis. Well our immigration visa issuance systems were too lax then, and they are still too lax. That is why most of the hijackers were able to gain entry into the United States so easily, and that is why they were able to obtain the visas in the first place, and it continues to be a weak point in American security.

We still do not know who comes here and then who leaves. We do not have the proper registration of people and knowing whether they have left the country or not. Our enemies are creative and innovative, but most of all they are determined. If we make our borders even more porous by just being too sympathetic with one industry—and admittedly the industry was hit hard—but if we make them more porous than they already are even if as I say it is for a good cause like helping our friends in the travel industry who provide employment for our people, there will be a horrific price to pay.

Osama bin Laden has stated it very clearly:

“Hostility toward America is a religious duty, and we hope to be rewarded by God. I am confident that Muslims will be able to end the legend of the so-called super power that is America.”

So yes, there continues to be a powerful threat to our country. They want us to lower our guard, and to give in to wishful thinking, and go back to business as usual. I realize dollars have been lost due to tighter security at our borders, and tighter security at our foreign consulate since 9/11 but with all due respect, Mr. Chairman, those of us in a position of responsibility must do the right thing and put national security first because without a secure country there will be no business period.

My hope is that our friends in the travel industry will continue to support the fight for the security of our country and the safety of our people, and in the decision-making process, that should be of a high priority in your considerations as well as ours. We cannot

put a price tag on the lives that were lost on September 11, nor can we put a price on Western civilization and the ideals that we have which allow hotels and rental car companies and amusement parks to flourish as our people and as visitors come here to pursue happiness, which is part of the American dream, part of what we talked about at the founding of our country.

The pursuit of happiness. We believe it is people's right to pursue happiness, and your industry has done so much to help bring happiness to so many people. Recreation and tourism dollars are the lifeblood of so many companies in our economy and provide the paycheck for so many of our fellow Americans, but, Mr. Chairman, national security is a prerequisite to prosperity and needs to be preeminent in our considerations, especially in a world where forces who hate our way of life are lurking and waiting for us to let down our guard and go back to business as usual. Thank you very much, Mr. Chairman.

Mr. DELAHUNT. Thank you, Mr. Rohrabacher. I would ask my colleagues, Mr. Porter and Mr. Farr, if they want to make a comment. Feel free to do so. Mr. Farr?

Mr. FARR. Thank you, Mr. Chairman. I do want to make a comment, and I really appreciate your leadership and that of Mr. Rohrabacher in having this hearing. I want to just state from the outset that I read Mr. Gadiel's background, and I want to empathize with the loss of your son. It is very interesting that you and I are here in this room today for the same reasons. I lost my sister when she came to visit me in the Peace Corps but we are here in this room for different purposes because what I found living in abject poverty in Latin America is that is where terrorism begins.

It begins where there is poverty and ignorance, and unfortunately the ignorance that people have about America is a lot because of our fault of not being able to show the better side of America, and I think you show the better side of America from the inside, not just from the outside which is the business community and the military and the diplomatic community.

And therefore I am very keen on trying to hear all your comments, and Mr. Rohrabacher, your comments—I sit on the Homeland Security Appropriations Committee, and I just got back from a border tour. The southern border. And what I learned on that trip and from testimony in the committee is that since 9/11 where we have had probably hundreds of tens of thousands, maybe hundreds of thousands of undocumented persons coming across that border, they have not yet found one terrorist, one bit of material used by terrorists being smuggled across that border, and we have spent billions of dollars on enforcement. It looks like an entire war against Mexico when you go along that border.

But if you contrast that to the Canadian border, we have found a number of terrorists trying to cross that. Material trying to get exported, and that is where we stopped it, and so the old issue if you are going to attack a problem let us make a risk-based analysis and try to go after that, and that where is I think that the attention to the issue should be spent. I just disagree with Mr. Rohrabacher that an undocumented person is therefore a terrorist. I just do not think the facts have shown that out.

In fact, you pointed out in your testimony that all of the people involved in 9/11 did have some visas, and the issue of how you issue the visas, the background reports you do them on is obviously something that our country has failed at, and we have put a lot of money in beefing it up. But I would also like to point out that I have lost constituents in 9/11, not in the buildings, because I represent California, but I lost constituents in the Lockabee Pan Am flight. I lost constituents that were on the United airplanes and on the American Airlines. As you know, those were headed for California, and they were my constituents that were on those planes. Some of them.

So I am very empathetic to trying to prevent terrorism but I am also in a bigger world picture that America will never be a strong country living in isolation. You cannot trade in isolation. You cannot negotiate in isolation. Diplomacy does not act in isolation. And none of those handles that we go abroad in really tell about America. This is the most giving nation in the world. Charity in America is the highest in America in this U.S. culture. It is cultural.

Volunteerism is the highest there is. Communities support for people that are on the street is probably some of the greatest in the world because it is not all public government support for homeless and for others, and I have just found that people coming to this country do not just shop with their pocketbook. They shop with their eyes, their hearts and their minds, and I will just give you one example.

I represent Carmel, a little town of 4,000 people, but everybody heard about Carmel because they elected a famous person as a mayor, Clint Eastwood. And you know what? When he was mayor when people came and I remember talking to him, and he said something very interesting. The question was what do you think is the number one request from the city of Carmel?

And I jokingly said probably where they can buy T-shirts of you as mayor, and he said no. The number one request for the city of Carmel is a copy of their zoning code. If you have never been to Carmel, it is a cute little town. So what I just pointed out is that those tourists came there and said, Why cannot our towns be like this? You would not see that if you did not have a chance to come into this country.

It is the people of America that are our strongest defense, and so I am very keen on what we can do to encourage people to come to America. Yes, they have to have background checks, and they have got to get visas but if you mix up the fact that we have got problems with illegal immigrants with the fact that those are the same as tourism, they are just not two of the same. Not at all.

You know when I went into the Peace Corps, the report was called the Ugly American. It was about all the dumb, dumb things that America does abroad without any sensitivity to other culture, without sensitivity to other language, and even just being dumb, and I remember in the Peace Corps Chevy came out with a car called Nova. Well in Spanish it is nova. That means do not go. Will not go. It was not a very smart way to name a car if you try and sell it in Latin America.

Well this new book out called *America Against the World* and it points out that you know that we need to change our attitude

about the world, not necessarily just diplomatically but also internally. So there is a legitimate place for well-implemented travel entry, and I really appreciate today that my co-chairman of the Tourism and Travel Caucus is here with me on the dias. He comes with a great background in travel and tourism from representing probably the most visited city. One of the most visited cities in the world, which is——

Mr. DELAHUNT. He is not from Boston, Sam.

Mr. FARR. It is Las Vegas, where all the Bostonians go to——

Mr. DELAHUNT. They got to the Cape.

Mr. FARR [continuing]. Spend their bromine money. But thank you, Mr. Chairman, for having us here, and I look forward to the testimony.

Mr. DELAHUNT. Thank you, Mr. Farr. Mr. Porter?

Mr. PORTER. Thank you, Mr. Chairman, for having the hearing, to the ranking member and to my partner, Mr. Farr, from California and certainly to our panelists. We appreciate you being here today, and Mr. Gadiel, certainly our hearts and prayers go out to you and the many families that experienced the great pain of 9/11.

And I want to assure you as a Representative from the state of Las Vegas that the purpose of our caucus, our Tourism and Travel Caucus is to put security first, and we firmly believe that we can put security first. We want to make sure that when people visit the United States that they are welcome, and they have a great customer experience, and there are ways to do that without jeopardizing security, and I believe a coordinated event with the government and the private sector we can encourage visitors to our country and do it safe, safer than we ever have before.

You know travel and tour—and it is important to not discount the travel portion there. We are talking about business travel. International travel from around the world into the United States. Also the tourism aspect. But we have really lacked a consistent message in the travel and tour industry and across the country which is why Mr. Farr and myself have decided to elevate the prominence of this business here in Washington, DC.

As was mentioned in the opening statements, it is a \$700 billion business, and yes, we have lost about \$94 billion in international travel but I want to share with you for a moment some of the positive sides of what has happened since 9/11. We have changed and I will be parochial for a moment. The community of Las Vegas. We have the safest city in the world. We now have the safest hotels in the world. Our security is the best.

We try to do the best we can to ensure the safety of our visitors, and McCairn Airport is a prime example. It is the fifth largest airport. We are enjoying about 40 million customers a year through McCairn Airport but we make it a customer experience that we think is very positive. But we have not—and I want to reiterate—we have not reduced the security. We have increased security in Nevada and in Las Vegas because we are working with security personnel.

We make sure that there is a very positive customer experience. We want to welcome folks to the United States, and we also want them to come back but we want those to come back that are safe, and I think there is a balance here, and that is part of the reason

we are here today is to talk about some of the positives and some of the negatives and what we can do.

But I firmly believe we can do it and make it safer and make this experience more enjoyable. I think we have all experienced airports around the world and ports of entry. We have experienced very positive experiences, and we have had some pretty less than positive experiences at our airports.

We are not only talking about visas. We are talking about customer service. We are talking about how we treat our customers, our visitors to this country. There are times we are very rude and obnoxious when people visit our airports. There is no excuse for that. We can be tough on security but we also can treat people with courtesy and respect; and for those that do not deserve it, we need a system in place to make sure that they are not welcome in the United States.

So today we have an opportunity to listen to areas of concern, the positive sides, the negative sides, and what we can do as a Congress to provide a balance but I want to assure everyone in the audience that our goal as a Congress and as our caucus is to make sure that security is first, and I truly believe that we can do that. So thank you, Mr. Chairman. I appreciate this opportunity.

Mr. DELAHUNT. Well thank you, Mr. Porter. Thank both you and Congressman Farr for your work on travel and tourism which I think we have all echoed is so important to our economy and to how the rest of the world views the United States.

I am going to call first on Mr. Merin, then on Mr. Gadiel, and then Mr. Freeman. Let me begin by introducing Mr. Merin. He currently serves as Managing Director of BKSH Associates. He possesses more than 35 years of Washington experience beginning with service as a Congressional staffer in 1969. I am not going to ask him which committee, and I am not going to ask him who the chairman was at the time. It is all downhill, right.

He is a member of the Board of Directors of Business for Diplomatic Action, an initiative begun in 2001 to improve American business diplomacy. BDA seeks to sensitize American companies to rising anti-Americanism around the world, and to enlist the business community in specific actions aimed at addressing that issue. Mr. Merin.

STATEMENT OF MR. CHARLES MERIN, PRESIDENT, TRAVEL BUSINESS ROUNDTABLE

Mr. MERIN. Thank you, Mr. Chairman. I am Chuck Merin, and I am here today as President of the Travel Business Roundtable, an organization comprised of more than 70 CEOs from major American corporations and trade associations. Our goal is to educate Federal, state and local policymakers about the economic, social and diplomatic importance of travel and tourism to the well-being of this country.

I am also pleased to be here on behalf of TBR's strategic partner, the Travel Industry Association. Together TBR and TIA encompass every sector of this highly diverse industry. I would ask, Mr. Chairman, that my written statement be included in its entirety in the record.

Mr. DELAHUNT. Without objection.

Mr. MERIN. Thank you. Chairman Delahunt, Ranking Member Rohrabacher, members of the subcommittee, thank you very much for the opportunity to come and discuss some very important and relevant issues, as part of this subcommittee's ongoing public diplomacy review. At its core, the travel industry represents an opportunity to bring people of different cultures and backgrounds face-to-face, to visit, to do business, to study, to receive medical treatment and to learn more about America and Americans.

Before I proceed, I do want to recognize Mr. Farr and Mr. Porter, who have been great friends of this industry. Your friendship and support are recognized and much appreciated. Mr. Rohrabacher, I greatly appreciate what you said in the first of this series of hearings. You told a story about how President Reagan advised you when you were a speech writer at the White House that when delivering a message it must be directed not only to a U.S. audience but also to the wider world. We could not agree with you more.

At a time when America's image continues to decline, what and how we communicate is closely scrutinized all around the globe. We have found that people-to-people communication provided through the travel experience not only helps boost our economy but also helps convey a more positive image of America and its people.

Travel and tourism. Let me do some numbers. Travel and tourism is a \$700 billion industry directly employing 7.5 million Americans. The industry is one of the largest exports for the United States, and the single largest service sector's export, and we are one of the very few industries that create a multi-billion dollar balance of trade surplus. That surplus was \$7.4 billion in 2005, after peaking in 1996 at \$26.3 billion. Additional statistics are provided in my written statement.

Travel and tourism, as I hope you know, is truly a nonpartisan industry which flourishes in 50 states and all 435 Congressional districts. As an aside, I want to share with you because I think this needs to be stated at the outset. The people who comprise the travel and tourism industry—and I am talking about industry leaders and employees—are deeply patriotic, security-conscious Americans. This industry's priorities in its legislative agenda are focused principally on the issues of how to strengthen—not weaken—security at home, and the essence of what we are trying to convey to you today is that these are not mutually exclusive opportunities.

The 9/11 tragedy had a huge impact on our industry. International travel and tourism expenditures fell 19 percent and 340,000 American jobs were lost between 2000 and 2002. The economic impact of that tragedy continues to be felt within the industry, the particulars of which are also contained in my written statement.

Just as no other industry was more immediately affected by September 11, so it is, I believe, that no American industry has the potential to do more to positively address the ignorance and contempt which fuels such heinous acts as September 11. Mr. Gadiel's pictures are heartbreaking, and as a father—as I shared with you before this hearing started—I cannot begin to fathom the pain and the emptiness that lingers for anyone who has lost a child let alone through the horror of this act.

But the facts are these: 15 million people from around the world enter the United States every year through the visa waiver program. Our current visa and entry systems are not perfect. The legislative recommendations put forward by this industry as encompassed in amendments to the 9/11 bill accepted and passed by the Senate and headed to conference will certainly strengthen current law.

Ultimately we believe that Homeland Security is about risk management, not risk elimination. That is the constant theme of former Homeland Security Secretary Ridge in all of his statements about this issue. Let me repeat it. It is about risk management not risk elimination.

Nations, much like individuals, are often defined by perceptions. Emotion and intuition usually drive perception rather than rational, analytical thoughts. As each of you have learned through your political careers, perception is reality for many people. The perception of this country is that of a fortress America, unable or unwilling to courteously—let me stress courteously—invite legitimate—let me stress legitimate—travelers to participate in the American experience.

Lost international business and leisure travelers, medical patients and students, sporting events and cultural exchanges all represent squandered opportunities to maximize the use of America's greatest strategic asset in the fight to win back international hearts and minds: The American people and the fundamental kindness, energy and decency that they convey every day.

House Homeland Security Appropriations Subcommittee Ranking Member Hal Rogers of Kentucky was quoted in today's *Congressional Quarterly* as saying:

“Homeland security must not evolve into the notion of a fortress America by enacting legislation that depletes the Federal Government and shackles the U.S. economy.”

As the industry most immediately affected by the specter of terrorism, an industry brought to its knees post 9/11, we have never sought to weaken security measures but rather have asked the Federal Government to implement them in an intelligent fashion that is respectful of travelers.

Improving our Nation's security should be and is our number one priority. We believe that economic prosperity and homeland security actually compliment one another. They are not mutually exclusive. Two examples of well intended but poorly implemented policy come to mind. These are examples of what we should not do.

The industry supported the implementation of both the biometric passport technologies and WHTI regulations as part of an effort to better protect Americans from those who would do us harm. However, we never thought that both initiatives would be implemented as poorly as they were. When America promulgates biometric standards for the rest of the world by deadline certain that we ourselves cannot meet, that reinforces the worst imagery about the arrogance of American foreign policy.

When our good neighbor to the north, Canada, our largest trading partner in the world and our biggest international arrivals markets says in hearing after hearing in the House and Senate

that they feel that we have failed to work cooperatively with them to implement the new policy, then once again perception has become reality. Biometrics and WHTI implementation are powerful reminders that how we execute homeland security policy is every bit as important as what we implement.

Numerous surveys of an increasingly hostile world indicate that our country and our industry face a grave problem. What we have been trying to do as an industry over the past several months is offer to be part of that solution. Our industry has repeatedly offered to provide customer service training to the State Department and the Department of Homeland Security. Our offer is not to teach them how to do their jobs but rather how to execute those jobs in a more welcoming and respectful fashion.

Dick Martin, author of an insightful new book entitled *Rebuilding Brand America*, made the point clearly when he wrote:

“Those who believe America’s declining reputation can be restored through a more forceful explanation of its foreign policies are fishing in trees. Doing a better job of explaining itself is certainly part of the answer but it fails to address the core of the problem. America’s declining reputation has less to do with what people think of America than how they feel about it.”

We live in a market-driven era. Companies, communities and even countries are all brands in the sense that they evoke emotions and loyalties. America’s brand has been compromised around the world but its companies and its peoples are still held in high regard. The Federal Government, by word and by deed, cannot single handedly restore that brand. It can, however, do what national governments are supposed to do. It can defend the country and promote economic opportunity.

Poorly executed visa and entry/exit policies that intimidate and alienate legitimate international travelers help no one, and need to be addressed by the Congress and the administration. While this testimony relates to outbound U.S. travel, I am compelled to point out that dysfunctions in the U.S. Government policies do not end there.

With several years to prepare, the State Department is today struggling to meet the demand for U.S. passports for Americans as a result of the Western Hemisphere travel initiative. Congress has provided State additional resources but obviously much better planning is needed because U.S. travelers are now waiting 10 weeks to get a passport, and this is threatening to ruin business and leisure travel abroad.

In a global economy, economic opportunity is truly a two-way street. McKinsey and Company recently predicted that almost 1 billion new consumers will enter the global marketplace as incomes worldwide grow over the next decade. America’s decreasing share of a burgeoning international travel market portends ominous trend lines for the world economy of the future.

Travel and tourism uniquely evokes those qualities that much of the world still associates with this country and what it means to be an American: Tolerance, liberty, opportunity and dreams. John

Stuart Mill long ago wrote something that powerfully makes this point:

“The economic advantages of commerce are surpassed in importance by those of its effects, which are intellectual and moral. It is hardly possible to overstate the value of placing human beings in contact with persons dissimilar to themselves and with modes of thought and action unlike those with which they are familiar.”

As Members of Congress—and this is the essence I think of what I really want to say to all of you—as Members of Congress, I think you have to ask yourselves a fundamental question, the essence of which is, What is it that we want to achieve with regard to three very difficult yet fundamentally interrelated policy areas: How to improve America’s deteriorating image abroad; how to better protect our country; and how to sustain and promote free and open commerce?

If keeping everyone out of this country is as improbable and undesirable a national policy instrument as would be letting everyone in, then the question becomes how do we achieve the proper balance between commerce and security while simultaneously trying to win the hearts and minds of people around the world who are increasingly hostile to us?

Is it not time for the Federal Government to harness America’s energy and creativity in a partnership with the private sector that enriches America at home and abroad? Thank you for the opportunity to appear, and I would be delighted to answer any questions you might have.

[The prepared statement of Mr. Merin follows:]

PREPARED STATEMENT OF MR. CHARLES MERIN, PRESIDENT, TRAVEL BUSINESS
ROUNDTABLE

Good afternoon. I am Chuck Merin, President of the Travel Business Roundtable. I am speaking here today on behalf of TBR, an organization comprised of some 70 corporate and association CEOs whose mission it is to educate policymakers about the importance of travel and tourism to the nation’s economic, social and diplomatic well being. I am also here on behalf of TBR’s strategic partner, the Travel Industry Association (TIA), which represents roughly 1,600 travel and tourism companies across the country. Together, TBR and TIA encompass every sector of this diverse industry.

Chairman Delahunt, Ranking Member Rohrabacher and Members of the Subcommittee, thank you for inviting me to discuss the unique relevance of travel and tourism to this subcommittee’s ongoing public diplomacy review. At its core, the travel industry represents an opportunity to bring people of different cultures and backgrounds face-to-face—to visit, to do business, to study, to receive medical treatment and to learn more about America and Americans.

Ranking Member Rohrabacher, I greatly appreciate what you said in the first in this series of hearings. You told a story about how President Reagan advised you that when delivering a message, it must be directed not only to a U.S. audience but also to the wider world. We could not agree with you more. At a time when America’s image continues to decline, what and how we communicate is closely scrutinized around the globe. We have found that people-to-people communication provided through the travel experience not only helps boost our economy but also helps convey a more positive image of America and its people.

AN ECONOMIC GENERATOR

In 2006, the travel and tourism industry generated \$703 billion in expenditures, directly employed 7.5 million Americans and accounted for \$171 billion in direct travel-generated payroll. Our industry creates jobs and careers; we fulfill important social policy goals, such as moving people from welfare to work; and we contribute

more than \$105 billion in tax revenue for local, state and federal governments that support essential services.

Travel and tourism is a nonpartisan issue and it flourishes in all 50 states and all 435 Congressional districts.

The industry is one of the largest exports for the U.S. and the single largest services sector export, accounting for 27 percent of all services exports. Directly and indirectly, international travel to the U.S. generates \$1.3 trillion, and we are one of very few industries that creates a multi-billion dollar trade surplus. That surplus declined to \$7.4 billion in 2005, after a peak in 1996 of \$26.3 billion.

THE POST 9/11 WORLD

The 9/11 tragedy had a huge impact on our industry. International travel and tourism expenditures fell 19 percent, and 340,000 American jobs were lost between 2000 and 2002. For many lawmakers, it was the first time they understood the very real economic and social impact of travel and tourism on communities throughout America. Not only were planes not flying and hotels at low occupancies, but Broadway theatres, restaurants and shopping malls were also impacted. Just as no other industry was more immediately affected by 9/11, so it is that no American industry has the potential to do more to positively address the ignorance and contempt which fuels such heinous acts.

The impact of 9/11 on the nation's travel and tourism economy has been significant. A recent study by TIA estimated a total loss of 58 million visitors; 194,000 jobs; \$25.9 billion in payroll; \$94 billion in spending; and \$15.6 billion in taxes to federal, state and local governments since that tragedy. That dollars-and-cents loss is quantifiable; the squandered opportunity to present America to the world in a more positive light is not.

The U.S. is steadily losing its share of the lucrative international travel market. International travelers offer economic opportunity: they stay longer and spend much more than their domestic counterparts. For instance, last year New York City welcomed a record 44 million visitors. Only 18 percent of those were international travelers, but they were responsible for approximately 45 percent of all visitor spending. More importantly, international travelers represent the opportunity to win the hearts and minds of people around the world. When travelers don't come here, they learn about America and Americans through headlines rather than personal experiences. What the Discover America Partnership has found is that when international visitors actually visit the U.S., they are 74 percent more likely to have a favorable opinion about us.

Nations, much like individuals, are often defined by perceptions. Emotion and intuition usually drive perception rather than rational, analytical thoughts. According to noted pollster Frank Lutz, eighty percent of life is emotion and only 20 percent is intellect. He remarked, "I can change how you think, but how you feel is something deeper and stronger." As each of you has learned by experience throughout your political careers, perception is reality for many people. The perception of this country is that of a Fortress America, unable or unwilling to courteously invite legitimate travelers to participate in the American experience.

Unfortunately, in terms of inbound travel, the U.S. now ranks third behind France and Spain, and China is close behind. Worldwide travel continues to increase at record rates, but America's piece of the ever-growing pie is shrinking. In 1992, the U.S. had 9 percent of the world market share; today we have 6 percent. That represents a 35 percent decrease. The Commerce Department reports that inbound travel to the U.S. has rebounded to pre-9/11. These numbers are misleading, however. Were it not for significant increases in inbound travel from Mexico and Canada, travel from overseas markets has actually decreased 17 percent.

As I mentioned before, we are not just referencing the leisure travel market. Business travel to the U.S. declined 10 percent between 2004 and 2005 while the number of business travelers to Europe grew by 8 percent over the same period. A study by the Foreign Business Trade Council found that U.S. business lost \$30 billion between 2002 and 2004, citing U.S. visa policy as the major deterrent to traveling here. Major conferences and sporting events have been canceled or scheduled for other destinations, costing our country billions of dollars. For example, San Antonio lost out to Rio de Janeiro as the host of the 2007 Pan-American games, in large part because of real and perceived visa and entry-exit difficulties. In addition the United States Olympic Committee has stated that the U.S. will never host another Olympic games until we change the way we treat travelers attempting to come to our country.

NAFSA, the Association of International Educators, has told us that while the State Department is reporting all-time high numbers of visa applications issued to

students, student travel to the U.S. has not resurged. In a March 9 column in the Washington Post, David Ignatius wrote about the challenge in this way:

When people think about American power in the world, they usually list the country's forbidding arsenal of bombers, aircraft carriers and troops. Yet America's greatest strategic asset these days might not be its guns but its universities . . .

Pentagon officials are always bragging about their "smart bombs," which sometimes go wide of the target. American education is a smart bomb that actually works. When we think about the foreign outreach efforts by university presidents and dozens of others, we should recognize that they are a national security asset—making the world safer, as well as wiser.

The same is true for international travelers seeking medical treatment in the United States. I recently spoke with Ardell Brede, the mayor of Rochester, Minnesota, and he informed me that international patients seeking medical treatment at the Mayo Clinic have begun seeking treatment in other countries because of our visa and entry policies. The impact is not only devastating to the Mayo Clinic, but also to the surrounding community—the hotels, the rental car companies, the restaurants and shopping malls that support the city.

As the industry most immediately affected by the spectre of terrorism, we strongly support any and all initiatives that intelligently and respectfully improve our nation's security. We believe that economic prosperity and homeland security are not mutually exclusive, and in the fullest sense, actually complement one another. Two examples of well-intended but poorly implemented policy come to mind as examples of what not to do.

The industry supported the implementation of both biometric passport technologies and WHTI as part of the effort to better protect Americans from those who would seek to do us harm. However, we never thought that both initiatives would be implemented as poorly as they were. When America promulgates biometric standards for the world by deadlines certain that we ourselves cannot meet, that reinforces the worst imagery about American policy. When our good neighbor to the north, Canada, America's largest trading partner and biggest international arrivals market, feels that we have failed to work cooperatively to implement the new policy, then once again perception becomes reality. Biometrics and WHTI implementation are powerful reminders that "how" we execute homeland security policies is every bit as important as "what" we implement.

OVERCOMING OBSTACLES

Numerous surveys of an increasingly hostile world indicate that our country and our industry face a grave problem. What we have been doing over the past few months is offering to be part of the solution.

Our industry has repeatedly offered to provide hospitality training to the State Department and its consular service, and to DHS and its Customs and Border Protection and TSA personnel. Our offer isn't to teach them how to do their jobs, but rather how to execute those jobs in a more hospitable and respectful fashion. Recent meetings with the Foreign Service Training Institute suggest that State is willing to embrace this offer.

My friend and colleague, Geoff Freeman, will speak to this in much greater detail. I'd like to emphasize that what makes travel unique is that it remains the industry of dreams. Travel evokes positive feelings in people and creates a more positive prism through which to experience a country and its people. In this case, America and its people are the most effective mediums for reaching a hostile and wary world.

Fareed Zakaria recently wrote his February 26, 2007 column in Newsweek magazine about "How Homeland Security harms US image and economy." Zakaria wrote:

This is more than a dollars-and-cents issue. America as a place has often been the great antidote to U.S. foreign policy. When American actions across the world have seemed harsh, misguided or unfair, America itself has always been open, welcoming and tolerant. I remember visiting the United States as a kid from India in the 1970s, at a time when as a country, India was officially anti-American. The reality of the America that I experienced was a powerful refutation of the propaganda and caricatures of its enemies. But today, through inattention, stupidity and bureaucratic cowardice, the caricature is becoming a reality.

Dick Martin, author of a fabulous new book entitled *Rebuilding Brand America* made the point clearly when he wrote:

Those who believe America's declining reputation can be restored through a more forceful explanation of its foreign policies are fishing in trees. Doing a better job of explaining itself is certainly part of the answer, but it fails to address the core of the problem. America's declining reputation has less to do with what people think of America than how they feel about it.

RECOGNIZING THE NEW REALITIES

We live in a market-driven era. Companies, communities and even countries are all brands in the sense that they evoke emotions and loyalties. America's brand has been compromised around the world, but its companies and its people are still held in high regard. The federal government, by word and by deed, cannot single-handedly restore that brand. It can, however, do what federal governments are supposed to do: defend the country and promote economic opportunity.

The absence of a Cabinet-level position and the determination to use travel as a national economic engine sets our country apart from the world in disadvantageous ways. When countries around the world spend millions of dollars to establish and promote their national travel brand, they highlight their nation, not the companies that comprise the industry. Nations from France to Fiji understand the power of these tools in a global economy; the United States has yet to fully embrace its potential.

Dysfunctional visa and entry-exit policies that intimidate and alienate legitimate international travelers help no one, and need to be addressed by the Congress and the Administration. And while this relates to outbound U.S. travel, we are compelled to point out that dysfunctionalities in the U.S. government do not end there. With several years to prepare, even our own State Department is struggling to meet demand for U.S. passports as a result of the Western Hemisphere Travel Initiative (WHTI) requirement. Congress has provided State additional resources, but obviously much better planning is needed because U.S. travelers are now waiting ten weeks to get a passport and this is threatening to ruin business and leisure trips abroad.

In a global economy, economic opportunity is truly a two-way street. McKinsey & Company recently predicted that almost one billion new consumers will enter the global marketplace as incomes worldwide grow over the next decade. America's decreasing share of a burgeoning international travel market portends ominous trends lines for the world economy of the future.

Travel and tourism uniquely evokes those qualities that much of the world still associates with what it is to be an American: tolerance, liberty, opportunity and dreams. We need to remind the world that the American dream still lives and that their opportunity to participate first-hand in the American experience remains an open opportunity.

John Stuart Mill long-ago wrote something that powerfully makes this point. He wrote:

The economic advantages of commerce are surpassed in importance by those of its effects, which are intellectual and moral. It is hardly possible to overstate the value of placing human beings in contact with persons dissimilar to themselves and with modes of thought and action unlike those with which they are familiar.

Travel and tourism does just that, while simultaneously creating jobs and powerful economic growth across our nation. Travel and tourism remains the leading edge of the service economy that defines America and the world. Its role as a catalyst for human, economic, societal and cultural growth is remarkable. Isn't it time for the federal government to harness that energy and creativity in a partnership that enriches America at home and abroad?

Thank you for the opportunity to appear before you today. I would be delighted to answer any questions you might have about my presentation.

Mr. DELAHUNT. Thank you, Mr. Merin. And now Mr. Peter Gadiel. Am I pronouncing that correctly?

Mr. GADIEL. Close enough.

Mr. DELAHUNT. Mr. Gadiel was a private citizen working in real estate until his 23-year-old son, James, was killed on 9/11, and I would echo the sentiments that have been expressed previously about your loss. We all share in that loss as Americans. He retired to devote his life to making sure another 9/11 does not happen again, and he devotes all of his time to this cause. He is president

of 9/11 Families for a Secure America, and uses his own time and resources in this effort. Mr. Gadiel.

**STATEMENT OF MR. PETER GADIEL, PRESIDENT, 9/11
FAMILIES FOR A SECURE AMERICA**

Mr. GADIEL. Thank you, Mr. Chairman for the chance to speak on behalf of 9/11 Families for a Secure America, a group which is comprised exclusively of people who have lost loved ones in the 9/11 attacks and the victims of violent crimes committed by illegal aliens. First I want to say I am not against tourism, and I do not believe tourism should be restricted unnecessarily. I have been a tourist. I like tourists, and I want to be a tourist again. So I am in no way suggesting that we unnecessarily burden tourists who come to this country but my members and I have paid a terrible price for the open borders policies that have been espoused by the travel industry which increases its profits the more government fails to screen the millions of people who enter our country each year.

I will not mince words. My members will not permit me to mince words. The policies that the travel industry successfully lobbied for led directly to the admission of the terrorists of September 11 and thus to the murders of 3,000 Americans. The culture of open the doors and let everyone in which prior to 9/11 pervaded the State Department's Consular Service was exposed in the 9-11 Commission staff's monograph entitled, 9/11 and terrorist travel.

The report showed how travel industry lobbying had instilled this open doors mindset in consular officers whose job was purportedly to screen potential visitors to the USA. It detailed how State Department officials were grossly negligent in creating the visa express program, the set of lax procedures which permitted the 9/11 terrorists to enter our country. The term the 9/11 staff used to describe visa express was a virtual visa waiver program, and they made clear that this virtual visa waiver program came about as a result of travel industry lobbying.

The 9-11 Commission monograph proved beyond doubt the need to tighten and enforce visa requirements for all foreign visitors, yet today the citizens of 27 countries can visit the U.S. without any visa at all. Among those countries are France and Great Britain, homelands of Zacarias Moussaoui, the so-called 20th 9/11 hijacker, and shoe bomber Richard Reid. But 27 visa waiver countries is not enough for the travel industry which is lobbying on Capitol Hill for more countries to be exempted from the screening process which a visa application is supposed to entail. They continue to put profits over the safety of their fellow Americans.

I am fascinated that Mr. Freeman's group on its Web site alleges that one of its primary motives is to increase foreign support for the war on terror. It claims that promoting travel to America may result in nations viewing the United States more favorably and that parallel with this improved view will come more support for our antiterrorism efforts but the Web site names Spain as a country where support for the war on terror has been declining and India as a country where it has been increasing.

Yet Spain is a visa waiver program so its citizens do not need visas to come to the United States, and India is not a visa waiver

program and its citizens do. Thus Mr. Freeman's own Web site suggests that loser standards for visitors contribute to a decline in other nation's support for the war on terror rather than the other way around.

We should not be fooled by industry claims that amount to saying we are only doing this for the good of our country. The real motive is profit, and the GAO reaffirmed this fact in its report last July on the visa waiver program saying, "The program was designed to boost international business and tourism." In other words, to increase profits.

Not content with undermining the process for issuing visas, consider the following quotes from the 9-11 Commission monograph which resulted from interviews with border agents at our ports of entry:

"The travel industry, airlines in particular, loudly insisted on efficient passenger processing. Most inspectors said their supervisors would monitor processing times and reminded inspectors to keep within 45 seconds for each passenger.

"Immigrations were graded on how fast airline passengers were processed, and driving this emphasis on speed was the 1990 Congressional guideline that limited the total amount of time for a visitor to disembark from a plane and be processed through immigration inspection to 45 minutes, regardless of the number of passengers on the flight. The effect of this guideline was that inspectors had between 30 seconds and 1 minute to decide whether a visitor was admissible."

Lawrence Tisch at least, chairman of Loew's Corporation and of the Business Roundtable admits in the Roundtable's Web site that increased profits is the group's reason for being. But he too resorts to the pretense that tourism is a solution to our problems saying that when people from other nations they visit the U.S., "They interact with the American people and that goes to dispel growing myths overseas."

However, it appears that Mr. Tisch does not care that the open borders he helped bring about led to an interaction of Mohammed Atta and 18 other terrorists on four aircraft on 9/11 which resulted in the murder of my son and 3,000 others. The group is represented by the other two witnesses have board of directors that are filled with the heads of huge corporations so powerful that officials of the State Department and many other administration official have promised support on this and other issues.

According to the September 2006 issue of *National Journal*, Secretary of Commerce Gutierrez has in effect become the travel industry's chief lobbyist, if only the citizens of this country had such a powerful voice in this administration. The GAO report listed many ways in which visa waivers substantially increases the threat to terrorism.

Visa officers at U.S. Embassies it explains have time to interview applicants in their own language, and they have country specific knowledge but the visa waiver program transfers the entire burden of screening visitors to inspectors at ports of entry who have less than a minute to make a decision, are unlikely to be able to converse with the person before them in Farsi or Urdu, and have none

of the other advantages available to American personnel stationed in the traveler's country of origin.

Putting the entire burden of screening on POE inspectors is a system designed to fail with catastrophic results. GAO also noted that stolen blank passports from visa waiver countries are used by aliens from non visa waiver countries to evade the passport requirement. The visa requirement.

Unnamed visa countries it said failed to report thefts of blank passports. In one case a theft of 300 blanks went unreported for 9 years. Thus it was impossible for American officials to know that these passports were not perfectly legitimate. Nevertheless, DHS permitted these nations unnamed to remain in the visa waiver program.

The GAO list of dangers is far too long for my oral testimony but it is enough to say that many of these are inherent in the nature of the program, and that even if sufficient funds were allotted for the indefinite future, and even if the bureaucracies assigned to police the visa waiver program were highly motivated and competent—both highly questionable propositions—the program will still present a danger to the American people, and that threat can be summarize briefly in one phrase, Moussaoui and Richard Reid.

Earlier I mentioned Secretary Gutierrez' role as a lobbyist for the tourist industry. He is perfectly suited to this administration. Shortly after 9/11 President Bush stood atop the ruins of the World Trade Center—because I have never received any remains of my son, that is the only tomb my son will ever know—and Mr. Bush announced to America, "I hear you." But since that time he has shamelessly and consistently refused to secure our borders in order to increase corporate profits.

Members of Congress, you have the power to thwart wealthy corporate interests and act on behalf of the little guy, the guy who does not want to see a loved one go off to work in the morning, only to see him or her die in the hell of a crashing skyscraper or airplane.

I close with the following thought. The first time I had the opportunity to speak for 9/11 Families on Capitol Hill I said that the main obstacles to securing our borders were the White House and Congress, and I predicted that sooner or later the great mass of our citizens would come to understand this fact. I can say with confidence today that this process of recognition is now well-advanced.

If you extend the visa waiver program, when a future Moussaoui or shoe bomber succeeds in committing mass murder, Americans will understand that he was allowed to enter the USA without proper screening because people in Congress voted to allow him to do so. How many Members of Congress will want to face the voters having to admit that they cast a vote that helped bring this about? Thank you for your time, and I am certainly ready to answer questions.

[The prepared statement of Mr. Gadiel follows:]

PREPARED STATEMENT OF MR. PETER GADIEL, PRESIDENT, 9/11 FAMILIES FOR A SECURE AMERICA

Thank you for the chance to speak on behalf of 9/11 Families for a Secure America, a group comprised exclusively of relatives of those murdered in the September 11th attacks and of victims of violent crimes committed by illegal aliens.

My members and I paid a terrible price for the open borders espoused by the travel industry, which profits from our government's failure to properly screen the millions of aliens who enter our country each year. So I will not mince words: the policies that the travel industry successfully lobbied for led directly to the admission of the terrorists of September 11 and thus to the murders of 3000 Americans.

The culture of 'open the doors and let everyone in' which, prior to 9/11 pervaded the State Department's Consular Service, was exposed in the 9/11 Commission staff monograph entitled *9/11 and Terrorist Travel*. This report showed how travel industry lobbying had instilled this open doors mindset in consular officers whose job was purportedly to screen potential visitors to the USA. It detailed how State Department officials were grossly negligent in creating the "Visa Express Program," the set of lax procedures which permitted the 9/11 terrorists to enter our country. And what term did the 9/11 staff use to describe Visa Express? They called it a "virtual Visa Waiver Program." And they made clear that this virtual Visa Waiver Program came about as a result of travel industry lobbying.¹

The 9/11 Commission monograph proved beyond doubt the need to tighten and enforce visa requirements for *all* foreign visitors, yet today the citizens of 27 countries can visit the US without first obtaining a visa. Among those countries are France and Great Britain, homelands of Zacarias Moussaoui, the so-called 20th 9/11 hijacker, and shoe bomber Richard Reid. But 27 visa waiver countries is not enough for the travel industry which today lobbies for more countries to be exempted from the screening process which a visa application is supposed to entail. They continue to put profits over the safety of their fellow Americans.

It is fascinating that Mr. Freeman's group on its website alleges that one of its primary motives is to increase foreign support for the War on Terror. It claims that promoting travel to America "may" result in nations viewing the US more favorably and that parallel with this improved view will come more support for our anti-terrorism efforts. But the website names Spain as a country where support for the war on terror has been declining and India as a country where it has been increasing. Yet Spain is in the Visa Waiver Program so its citizens don't need visas to visit the US while India is not a Visa Waiver nation and its citizens must get them. Thus, Mr. Freeman's own website suggests that looser standards for foreign visitors contribute to a *decline* in other nations' support for the war on terror rather than the other way around.

Let us not be fooled by industry claims that amount to saying "golly, we're only doing this only for the good of our country." The real motive is profit. The GAO reaffirmed this fact last July in a report on the Visa Waiver Program saying "The program was designed to boost international business and tourism." In other words, its purpose is to increase profits.²

The travel industry has not been content with undermining the process for issuing visas. Consider the following direct quotes from the 9/11 Commission Monograph resulting from interviews with customs agents at Ports of Entry: "The travel industry . . . airlines in particular loudly insisted on efficient passenger processing. Most inspectors said that their supervisors would monitor processing times and "remind" inspectors to keep within 45 seconds for each passenger. . . . if processing times were not kept to a minimum, a supervisor would threaten to send the inspector back to training . . . immigration inspectors were graded on how fast airline passengers were processed . . . Driving this emphasis on speed was a 1990 congressional guideline that limited the total amount of time for a visitor to disembark from a plane and be processed through immigration inspection to 45 minutes, regardless of the number of passengers on the flight . . . The . . . effect of this guideline was that inspectors . . . had between 30 seconds and one minute to decide whether a visitor was admissible. . . ."³

Lawrence Tisch, Chairman of both the giant Loew's Hotel Corporation and of the Travel Business Roundtable states in the Roundtable's website that increased profits is that group's reason for being. But Mr. Tisch also resorts to the pretense that tourism is a solution to our problems saying that when people from other nations

¹9/11 and Terrorist Travel Staff Report of the National Commission on Terrorist Attacks Upon the United States, Washington, D.C. 2004 PP 4-32, 43-44, 111, 119-120. See also U.S. Department of State, Office of Inspector General, Review of Nonimmigrant Visa Issuance Policy and Procedure, Memorandum Report ISP-I-03-26 December 2002.: Office of Inspector General stated that "Until the events of September 11, the visa process was seldom considered a major element of national security. This was so despite the fact that after the first attack on the World Trade Center [in 1993] Congress mandated" that visa applicants' names be run through various terrorist watch lists.

²GAO Report 06-854 July 2006: Border Security: Stronger Actions Needed to Assess and Mitigate Risks of the Visa Waiver Program

³9/11 Commission Monograph 9/11 and Terrorist Travel pp 135-136

visit the US “they interact with the American people and that goes to dispel growing myths overseas.” It appears that Mr. Tisch doesn’t care that the open borders he helped to bring about led to an “interaction” of Mohammed Atta and 18 other terrorists on four aircraft on 9/11/01 which resulted in the murder of my son.

The groups represented by the other two witnesses have boards of directors that are filled the heads of huge corporations, so powerful that officials of the State Department and many other Administration have promised support on this and other issues. According to a September 2006 issue of National Journal, Secretary of Commerce Gutierrez has become, in effect the travel industry’s chief lobbyist. If only the average citizen of this country had such a powerful voice in this Administration.

Last July’s GAO report listed many ways in which Visa Waiver substantially increases the threat of terrorism. Two examples:

Visa officers at US embassies have time to interview applicants, in their own language and they have country specific knowledge. But the Visa Waiver Program transfers the entire burden of screening visitors to inspectors at ports of entry who have less than a minute to make a decision, are probably unable to converse with the person before him in Urdu or Farsi, and have none of the other advantages available to American personnel stationed in the travelers’ countries of origin. Putting the entire burden of screening on POE inspectors is system designed to fail with catastrophic results.

GAO report also noted stolen blank passports from Visa Waiver countries are used by aliens from non Visa Waiver nations to evade the visa requirement. It added that several unnamed Visa Waiver countries failed to report thefts of blank passports. In one case a theft of 300 blanks was not reported for 9 years after the theft. Thus it was impossible for the American officials to know that these passports were not perfectly legitimate. Nevertheless DHS permits these nations to remain in the Visa Waiver Program.⁴

GAO’s list of the dangers is far too long for my oral testimony, but it is enough to say that many of these are inherent in the nature of the program and even if sufficient funds were guaranteed for the foreseeable future and even if the bureaucracies assigned to police the program were always highly motivated and competent (two questionable propositions) the program would still present a danger to the American people. The threat can be summarized briefly in one phrase: Moussaoui and Richard Reid.

Earlier, I mentioned Secretary of Commerce Gutierrez’s role as lobbyist for the tourist industry. He is perfectly suited to this Administration. Shortly after 9/11 Pres. Bush stood atop the ruins of the WTC. Because I have never received any remains of my son that is the only tomb my son will ever know, and Mr. Bush announced to America “I hear you.” But since that time he has shamelessly and consistently refused to secure our borders in order to increase corporate profits. Members of Congress, you have the power to thwart wealthy corporate interests and act on behalf of the “little guy” who would like not to see a loved one go off to work in the morning only to see him or her die in the hell of a crashing airplane or burning skyscraper.

I close with the following thought: The first time I had the opportunity to speak for 9/11 families on Capital Hill I said that the main obstacles to securing our borders were the Congress and the White House, and I predicted that sooner or later the great mass of our citizens would come to understand this. I say with confidence that this process of recognition is now well advanced. So, if you expand the VWP, when a future Moussaoui or Shoe Bomber succeeds in committing mass murder, Americans will understand that he was allowed to enter the USA without proper screening because people in Congress voted to allow him to do so. How many members of Congress will want to face the voters having to admit that they cast a vote that brought this about?

Again, thank you for the opportunity to be heard.

Mr. DELAHUNT. Thank you. And our next witness is Geoff Freeman, who has worked with ABCO worldwide as well as the Heritage Foundation where he analyzed the Federal budget. Mr. Freeman is currently the executive director of The Discover America Partnership, a campaign supported by some of America’s foremost business leaders to strike a better balance between homeland security and travel facilitation. Mr. Freeman.

⁴ Ibid.

**STATEMENT OF MR. GEOFF FREEMAN, EXECUTIVE DIRECTOR,
THE DISCOVER AMERICA PARTNERSHIP**

Mr. FREEMAN. Mr. Chairman, thank you for the opportunity to be here today. Mr. Rohrabacher, Mr. Porter and Mr. Farr, I appreciate this opportunity. My name is Geoff Freeman, executive director of The Discover America Partnership. The Discover America Partnership was created in September 2006 by a number of business leaders. These are not just folks from the tourism industry. These are folks that represent all aspects of America, whether it be the U.S. Olympic Committee, whether it be educational interests or whether it be the manufacturing interests who simply cannot get buyers into this country to support their businesses. The support for this coalition is diverse, it is strong, and it is growing.

The folks who support The Discover America Partnership believe that we can strike a better balance between security and travel facilitation. These folks believe that travel can play an integral role not just from an economic perspective but can also support our public diplomacy efforts and strengthen our national security.

I think there is some confusion today about what it is the folks that support this partnership are truly asking for and what it is they are trying to do. Despite the rhetoric, The Discover America Partnership and its members are in no way trying to loosen security restrictions.

In fact, those familiar with our policy proposals will know that at every turn we have looked for ways to strengthen America's security, whether it is piloting the biometric collection from overseas travelers before they depart for the U.S., whether it is building a full, efficient and effective exit system for travelers that come to this country or time and time again in our proposals efforts that would strengthen America's security.

The problem is that since 9/11 we as a country have been all too willing to mistake inefficiency for security. Some will tell you that security and travel simply are not possible. You cannot do both of these things. We do not buy that. We do not buy that the country that invented the internet cannot find a way to inject technology into visa and entry processing.

We do not buy that the country with the most sophisticated, organized and effective military cannot find a way to manage lines at airports. We do not buy that the country that perfected customer service cannot find a way to treat our visitors with common courtesy. We can do all of these things. They are not mutually exclusive. But long lines at our airports, 100-day waits around the world simply to be interviewed for a visa, inadequate use of technology, and poor treatment of our visitors, that does not make us more secure. It makes us less competitive.

The numbers speak for themselves. Since 9/11 we have seen a 17-percent decline in overseas travel to the U.S. This amounts to approximately 60 million fewer visitors over the past 5 years who would have come to the U.S. and are now going elsewhere. The economic costs, as have been referenced previously, are extraordinary, \$94 billion in less spending, \$16 billion in less tax revenues, and 194,000 American jobs lost.

Unfortunately and despite some of what you hear from some agencies of the Federal Government, the problem is not getting bet-

ter. Indeed it is getting worse. In 2006, the U.S. slipped further among overseas travelers. In each of our top five markets, the numbers were down. Even in markets where we are up, as is designated on some of the slides over there, we are losing to competitors. Other countries who suffer but who have many of the same security concerns the United States does, the UK, Australia, Canada, all of those countries are striking a better balance between secure borders and open doors, and that is where travelers are choosing to go instead of coming to the United States.

Again as was referenced earlier, lest anyone think this is a problem that is only affecting tourism, this is a problem that is affecting America's businesses. From 2004 to 2005, there was a 10-percent decline in business travel to the United States and a corollary corresponding 8-percent increase in travel to Europe.

The reasons for this decline are multifaceted but many of the things that are thrown out there to explain why travelers are not coming to the U.S. simply do not pass muster. Some say that the U.S. is no longer an attractive destination. Indeed in survey after survey, travelers rank the U.S. in the top three as one of the most diverse countries, as one of the most friendly countries as far as the people of the U.S., as one of the countries with the most to offer travelers.

Others say that there are new markets, and that is where travelers are going instead of coming to the United States. There are indeed new markets. There is Turkey. There is China. There are other markets that did not exist years ago but when you look behind the numbers where travelers are truly going, again they are going to countries that are striking a better balance between security and travel facilitation. They are going to Canada. They are going to the UK. They are going to Australia.

Others suggest that it is America's declining image or the war in Iraq that is discouraging travelers from coming to the United States. Again, this does not pass muster. When we did a survey of over 2,000 international travelers, 72 percent said that the war in Iraq and other United States foreign policies would have little or not effect on whether or not they are willing to come to the U.S.

At the end of the day, the reason travelers are choosing not to come to the U.S. is our complicated, inefficient and ineffective entry process, whether that be the visa process that often forces them to wait months upon months just to get an interview or whether it be the entry experience with 2-hour lines and poor treatment. Horror stories dominate the press around Europe, around Asia and around the rest of the world of trying to get into the United States. These stories have got a great affect on the perception of travelers around the world.

What we have learned from the travelers that we have spoken with in the survey that we did of over 2,000 travelers is that these travelers believe that the U.S. has the world's worst entry process. You should understand who these travelers are. These are not people that are predisposed to disliking the U.S. In fact, these travelers are folks that are predisposed to liking the U.S.

According to our survey, nearly 60 percent of these travelers had a favorable opinion of the U.S. That is approximately 20 points higher than most surveys that are done around the world. So even

when asking those who are supportive of the United States they will tell you that we have the world's worst entry process by a 3-to-1 margin over the Middle East, by a 5-to-1 margin over Africa, a 10-to-1 margin over Europe.

Now this may not be true. Our entry process may not be nearly as bad but these perceptions have taken on a life of their own. These same travelers when asked what their greatest concern is when visiting the U.S., 54 percent said the threat of terrorism or crime, 70 percent said U.S. immigration officials.

Somewhere between now and 2001 our immigration officials have replaced the threat of terrorism or crime as the scariest aspect of entering the U.S. Two-thirds of the travelers that we surveyed said that they feared that if they said the wrong thing or wrote the wrong thing on a document they could be detained for hours or worse, often represented in articles around the world. Unfortunately by deterring visitors we are missing an extraordinary opportunity.

The suggestion has been made earlier today that those of us that are here representing travel interests are here for our bottom line. We are here to benefit travel and travel alone. If doing well for the country and doing good for business is a bad thing, then there are many issues that we need to look into. Indeed what those who represent travel are here today to say is that you can use the travel industry. You can use travel as a tool to strengthen not only our economy but to also strengthen international security and to enhance our public diplomacy efforts.

When travelers visit the U.S., they are more likely to have a favorable opinion of the U.S. They are more likely to support U.S. policies in the world. We saw a 74-percent increase in favorability toward the U.S. among those who had visited. Sixty-one percent said they were more likely to support U.S. policies in the world. If our goal is to win hearts and minds, if our goal is to grow support for the war on terror that is so critical that we win, allowing more people to see America is the greatest tool we have.

To address these problems in January of this year we issued a three-point plan that would both strengthen America's security and improve our travel process. Specifically, our plan called on the U.S. to create a 21st century visa system, not a visa system that let all travelers in but a visa system with more consular officials, a visa system that strived to interview all applicants in 30 days or less, a visa system that required us to build an exit system so that we would know when travelers are leaving this country and when travelers are not leaving this country.

We also called on the U.S. to modernize and secure its ports of entry. Our airports today do not allow frequent business travelers to this country who are willing to provide more biometric information, who are willing to provide more biographical information, to go through the process in an expedited fashion. This is a mistake, and it is a missed opportunity to collect more secure information.

We also, as Congressman Porter referenced earlier, do not have nearly as much customer service in these experiences as we should and as we could. The private sector has been offering for more than 5 years now to assist in the training of CBP and TSA officials and to improve the customer service aspects. We have yet to see any

data that being courteous and showing any sense of customer service to travelers somehow makes the U.S. less secure.

The third part of our plan is that we must invest in changing perceptions around the world. We must tell travelers what our policies are, when and where we have made improvements to those policies, and that we want more visitors to come to this country. Indeed inviting more visitors to this country in no way threatens America's security.

These reforms will provide more resources for security. According to the plans that we have outlined, we would dedicate not only more resources but more funding for State Department and Homeland Security Department activities. Chairman Delahunt and Ranking Member Rohrabacher, we appreciate this opportunity. We believe it is time that we fix a flawed travel system and we focus on building a system that no longer mistakes inefficiency for security.

Indeed security and travel are not mutually exclusive despite some suggestions. I thank you for the time, and I look forward to answering any questions you may have.

[The prepared statement of Mr. Freeman follows:]

PREPARED STATEMENT OF MR. GEOFF FREEMAN, EXECUTIVE DIRECTOR, THE
DISCOVER AMERICA PARTNERSHIP

Let me first thank Chairman Delahunt, Ranking Member Rohrabacher and members of the Subcommittee for holding today's hearing and taking a critical look at America's broken travel system. My name is Geoff Freeman, and I am the executive director of the Discover America Partnership. The Partnership was launched last year by some of America's foremost business leaders to highlight the unique role that travel can play in bolstering America's economy, security and public diplomacy efforts.

Our country is in the midst of a complex travel crisis that is having an enormous impact on our economy. At a time when the number of travelers worldwide is at an all time high, the number of overseas travelers visiting the U.S. remains well below pre-9/11 levels. In 2000 the U.S. market share of the \$6 trillion worldwide travel market stood at 7.5 percent; by 2006 that share had dropped to 6.1 percent. The result is a loss of nearly 60 million visitors over five years, \$94 billion in spending nearly \$16 billion in tax revenue and approximately 194,000 jobs according to the Travel Industry Association.

In total numbers, the U.S. has experienced a 17 percent decline in overseas visitors since 9/11. In 2000, the U.S. welcomed approximately 25 million Canadians and Mexicans and approximately 25 million overseas visitors. In 2006, the U.S. returned to 50 million visitors, but the make-up was far different: approximately 30 million Canadians and Mexicans, but only 20 million overseas visitors. Overseas visitors tend to stay longer, spend more and can play a critical role in strengthening America's image around the globe by engaging in people-to-people diplomacy.

Declining visitation to the U.S. is not limited to tourists. All forms of travel—business, student and medical—have witnessed a decline. From 2004 to 2005, for example, business travel to the U.S. fell 10 percent according to the World Travel Market. Over this same time period, business travel to Europe increased by eight percent.

Six countries—the UK, Japan, South Korea, Germany, France and Australia—represent the top source markets for long-distance travelers to the U.S. Between 2000 and 2005, fewer people came to the U.S. from the UK, Japan, Germany and France. While we did see a 6.5 percent increase in arrivals from South Korea, the UK experienced an 18.9 percent increase in travel from Korea; Canada experienced a 34.5 percent increase; Australia a 56.3 percent increase; Russia a 58.7 percent increase and Turkey a 451.2 percent increase in arrivals from South Korea. Similarly, the U.S. experienced a 3.5 percent increase in arrivals from Australia, but Canada experienced a 15.8 percent increase; the UK saw a 17.7 percent increase; Japan a 44.5 percent increase; Hong Kong a 49.1 percent increase; and Vietnam a 324.2 percent increase. So while the U.S. did experience modest increases in arrivals from two of our top six top source markets between 2000 and 2005, it's painfully clear

that other countries are winning the highly competitive fight for the world's travelers.

The ripple effect of this downturn in travel is significant economically—the potential loss in spending, employment, payroll and tax receipts—as well as diplomatically—fewer opportunities to compete for hearts and minds around the world.

The Discover America Partnership believes that travel is a critical component of America's economic security, but we also believe that travel is a critical component of our national security and public diplomacy efforts.

Last November, the Partnership commissioned RT Strategies, a prominent, bipartisan polling firm, to conduct a survey of more than 2,000 international travelers. The study sought to gauge travelers' perceptions of the U.S. visa and entry process, and how opinions of America differ between those who have visited our country and those who have not. The results, which have been covered extensively by media around the world, were significant.

Among the study's key findings:

The U.S. entry process is considered the "world's worst" by travelers

- Travelers rate America's entry process as the "world's worst" by greater than a 2:1 margin over the next-worst destination area.
- The U.S. ranks with Africa and the Middle East when it comes to traveler-friendly paperwork and officials.
- 54 percent of international travelers say that immigration officials are "rude."
- Travelers to the U.S. are more afraid of U.S. government officials (70%) than the threat of terrorism or crime (54%).
- Two-thirds of travelers surveyed fear they will be detained at the border because of a simple mistake or misstatement.
- Reports of bad treatment at the point of entry have as much an impact on America's image as news reports in the foreign media or comments made by foreign government officials.

By deterring visitors, the U.S. is missing an enormous diplomatic and economic opportunity

- Those with experience visiting America are 74 percent more likely to have an extremely favorable opinion of the country versus those who have not visited recently.
- 63 percent of travelers feel more favorable towards the U.S. as a result of their visit.
- 61 percent agree that, once a person visits the U.S., they become friendlier towards the country and its policies.
- Negative attitudes about U.S. treatment of visitors are having a much larger effect on keeping travelers away from the U.S. than negative attitudes about U.S. policies in the world.
- Nearly nine in 10 travelers tell their friends, relatives about their travel experiences most or all of the time.

Minor changes in the U.S. treatment of foreign business and leisure travelers would yield substantial gains

- In every destination criteria but the point of entry experience, international travelers rank America in the top three. Travelers want to come to the U.S.
- Travelers are willing to wait an average of 46.5 days to get a visa to visit the U.S.—15 days beyond U.S. State Department standards, but far less than current wait times in many countries.
- Travelers' expectations include clear communications, respect and courteous treatment.

Anecdotal evidence uncovered in focus groups, media reports and conversations as well as empirical evidence support the findings from our survey. From companies like Exxon-Mobile that are looking to hold major meetings in other countries because they can not get their own workers back in to the U.S., to universities that have seen dramatic declines in applications from international students, to other countries being chosen over the U.S. to host major international sporting events—such as a Pan American games coming up this summer that would have contributed \$1-\$2 billion in economic activity for the city of San Antonio—America is no longer a destination of choice. Whether perceptions are based in truth or not they have a way of becoming reality. The reality today is that travelers are choosing other des-

tinations—largely because of the U.S. entry experience. We must do something to reverse this trend.

Security is America's Number One priority. However, the Discover America Partnership does not believe that inefficiencies should be mistaken for security. Long lines, inadequate use of technology and poor treatment of visitors does nothing to make America more secure.

To that end, in our *Blueprint to Discover America* the Partnership recently issued a three-point plan to strengthen America's security and fix our country's travel crisis. Our plan calls on government to:

1. Create a 21st century visa system;
2. Modernize and secure our ports of entry; and
3. Change global perceptions of America through coordinated communications.

There are several key points about our plan that must be understood.

- First, we strongly believe that travel and security are not mutually exclusive, and at no point do we recommend a loosening of security measures. In fact, we call for a *strengthening* of America's security, but we insist that it be done with the right resources, new technologies and a focus on travelers as an opportunity.
- Second, we recommend common-sense solutions, not revolutionary changes. Fixing America's travel system requires that we hire appropriately, engage the private sector and learn from our peers around the world.
- Finally, we think that a relatively modest investment—\$300 million according to our plan—will have extraordinary results. If the United States gains one share point of global travel (about 10 million new visitors), we can create 190,000 new jobs, \$17 billion in new spending and nearly \$3 billion in tax revenue. Not only are those numbers significant to our economy, but 10 million new visitors represent enormous public diplomacy potential and would help fund new security programs thus making our country even more secure.

America is at a travel crossroads and how we respond as a nation will be hugely determinative of our standing in the world and of international support for U.S. policies in the future. International travel to the U.S. is the greatest public diplomacy tool we have and declining overseas travel only serves to weaken our diplomacy efforts.

Chairman Delahunt and Ranking Member Rohrabacher, it is time that we fix a flawed travel system and take advantage of this incredible vehicle for economic security, national security and public diplomacy. On behalf of the CEOs who make up the Discover America Partnership, we stand ready to help in this effort.

Again, thank you for the opportunity to testify before you today. I would be happy to answer any questions that you may have.

Mr. DELAHUNT. Thank you, Mr. Freeman, for your testimony, and I am going to call first on the ranking member, Mr. Rohrabacher, for his questions, and then we will make an exception and call on a friend from Nevada and our friend from California, and I will have some questions at the end. Mr. Rohrabacher, I did note that Mr. Freeman referenced an exit visa system. You might want to pursue that.

Mr. ROHRABACHER. And let me note for the record that the decision to have our guests participate today was made with unanimous consent rather than just proclamation by the Chair, and you will always have my unanimous consent.

Mr. DELAHUNT. Thank you.

Mr. ROHRABACHER. All right. Well this has been fascinating. I will just have to suggest right off the bat that I do have a disagreement with my colleague from California, my friend and colleague from California. Terrorism is not caused by poverty and ignorance, and proposing this as an explanation for the dangers that we have today is dangerous in and of itself.

The people who blew up these buildings and killed Mr. Gadiel's son were not ignorant and were not poverty stricken people. Bin

Laden comes from the most you know wealthiest families. One of the wealthiest families in the world, and if you trace back the history of terrorism in the 20th century you will find that almost all of them came from wealthy families or were very intelligent committed people, educated people.

We have enemies who hate our way of life. The Nazis hated our way of life. They were not poor and uneducated. They hated what we stood for. So too Fidel Castro and Maw Se Tung and the Communists who want to destroy our way of life hated what we stood for but they were well-educated people. The Communists were not a working people. More of them graduated from major universities than graduated from union organization efforts.

So too the threat that we face today. Islamic terrorists are not poverty stricken, ignorant people. They hate what we stand for, and especially they hate the people in your industry. They hate seeing women in bikinis. They think that is a travesty, and they are willing to destroy people and murder them and kill them in order to stamp out this decadence that they see in the West, and I might add that Las Vegas is probably the top on their list of what they hate.

These are not ignorant people. These are not poverty stricken people. We have an incredibly powerful enemy that wants us to let down our guard. They want us to be weary. They want us to make sure that we focus more on making money than on security. I am pleased that the representatives of the industry today have at least verbally reached out and said, look, we want to work with you to try to find a system that does not bring down the security level but at the same time permits us to have more people come here.

Now that is the message I am getting but let us take a look at some proposals here. Yes. Obviously we need more people to work in the visa area. Who is going to be opposed to that? More people working overseas in the consular's office and trying to make sure we look at these people who are coming here. However, but at the same time, I believe the industry is advocating that we open up more countries for visa-free travel to the United States.

My guess is your industry is supporting Korea, for example, in their efforts to get visa-free travel to the United States. Now I like Korea, and I like Koreans but they have an incredible overstay problem. Those people who come here a huge number of them overstay, and a lot of these countries including Korea have a problem with the security of their own visas and their own passports. They actually are issuing passports or giving passports to people who they do not know who they are or they are stolen.

So to the degree that the industry yes, they want to make the system more efficient, who can disagree with that? But to the degree that the industry is making demands on trying to loosen up and expand the numbers of countries where we have visa-free entry in and out, this is contrary to what you are stating here.

Now let me ask this: Does the industry support our efforts then for employee verification for example of employees to make sure that the people are here legally, and we are not hiring illegal immigrants? Does the industry support that?

Mr. MERIN. Who would you care to have——

Mr. ROHRABACHER. Either one of you two is fine.

Mr. MERIN. Obviously that question focuses on the issue of immigration reform which is an interrelated but I think separate issue from what we are discussing here. The focus of this hearing, as I understand it—

Mr. ROHRABACHER. All right. That is fair. That is a fair answer. Let me ask you then if the industry would support, as happens in many countries, that when someone checks into a hotel that the actual names and everything goes into a computer, immediately into a computer bank that is available for example to check against files by Interpol and by perhaps terrorist watch organizations?

Mr. MERIN. The industry supports comprehensive immigration reform which affords protections for employees and employers.

Mr. ROHRABACHER. Okay. No. I have acknowledge to you that that is not really right specifically but what about if someone is checking into a hotel, would you be supporting efforts that would immediately make the hotel responsible for notifying people as to who is in their hotel into a computer system that could be checked with Interpol and antiterrorist law enforcement in our country?

Mr. MERIN. I am not empowered to tell you how the hotel industry would respond to that query. I think what they would say is the first line of defense would be go back to the beginning of the process.

Mr. ROHRABACHER. We can go back through the whole process but so the answer is you do not know if they would or not? Is that your assessment of that question as well?

Mr. FREEMAN. Again, I cannot speak for the industry as to whether or not they would accept that or would not accept that, and that is not a focus of The Discover America Partnership.

Mr. ROHRABACHER. Well we have to make sure, and Mr. Gadiel is here to remind us that yes, we want to make it easy for frequent fliers who have been in and out of the country a dozen times, and have been checked dozens of times to come in and out of our country. That is clear. We want more people working at the consulates but we want some specific—when you say let us do some things that do not decrease the security of our country, this idea that we are just having people come over and visit us, and that is going to make us more secure because now they like us more, is about as naive as saying that poverty and ignorance caused terrorism.

The fact is we have people who hate us, hate our way of life. They go to Las Vegas, and they hate America even worse because they are religious fanatics or they are Nazis and they see that we treat people of various religions in a positive way, and we let people of different races come together or they are communists who hate people making money. There are terrorists who hate our way of life and come here and go away saying they want to actually do more harm to us.

Mr. MERIN. Mr. Rohrabacher, you raised the issue of the visa waiver program.

Mr. ROHRABACHER. Yes.

Mr. MERIN. Please understand this industry does support an expansion of the visa waiver program.

Mr. ROHRABACHER. I understand.

Mr. MERIN. We are on record supporting that.

Mr. ROHRABACHER. I know.

Mr. MERIN. Let me tell you what we are supporting when we support an expansion of the visa waiver program.

Mr. ROHRABACHER. All right.

Mr. MERIN. Look at the language of the amendments contained in the 9/11 bill passed by the Senate Conference Committee. Expansion of the visa waiver program would be contingent upon executive branch certification that new participating nations do not in fact pose a security, immigration or law enforcement threat to America.

The amendment requires the use of biometric passports, enhanced passenger screening through e-travel authorization systems, improved passenger information exchanges, promptly by mandate reporting all lost and stolen passports immediately, strengthening airport and baggage security and pledging to repatriate any visitors who violate U.S. laws. Those are enhancements.

Mr. ROHRABACHER. Okay. I think you are right, and let me congratulate both of you and your industry for supporting that, and let me condemn the government and this administration for not being effective and efficient and actually doing the job and getting something done even since 9/11 to make this thing more efficient. So let me recognize that.

Mr. MERIN. Thank you.

Mr. ROHRABACHER. But let me get Mr. Gadiel's response to some of the testimony you have heard here today, Mr. Gadiel.

Mr. GADIEL. Additional security would be wonderful but there is no evidence that the government is capable of actually implementing the proposals the gentleman just proposed. On the BBC Web site today it says that 10,000 passports were issued by the British Government last year under fraudulent circumstances.

Mr. ROHRABACHER. Right.

Mr. GADIEL. And 1,000 more were lost in the mail. This is England which is on the visa waiver list.

Mr. ROHRABACHER. Right. And it is one of the most sophisticated countries that we deal with.

Mr. GADIEL. Right. And according to the BBC, England is considering issuing a national ID, and if they do, they will not accept their own passports as identification to obtain a national ID. So what he has described is a situation that would be wonderful in an ideal world, and based on what we have seen of the State Department before and during and after 9/11, it is a fairy tale to think that the State Department is going to actually take these guidelines and implement them in any effective way.

Mr. ROHRABACHER. Well again, I appreciate, and let me take you fellows at face value, and I will just say that I know that people who run our industry are good Americans. Unfortunately when we deal with a lot of industries, not just the tourist industry, we see people get very shortsighted about what is really important for them and the bottom line next year or something like that, and sometimes it clouds their vision of what is important for the security of our country.

Mr. MERIN. Mr. Rohrabacher—

Mr. ROHRABACHER. Let me give you the benefit and say that I would hope that we can—and I will be very happy to work with the chairman and people across the aisle here—to help make our

system more efficient and more effective so that we can ferret out those people who mean to do us harm, and I recognize you are willing to do that.

Mr. MERIN. We would be delighted to work with you to achieve that goal. Please understand that if the profit motive were the only impetus for this industry to favor an expansion of the visa waiver program and promote more international visitation to the country, then please understand, at its worst, how horribly shortsighted it would be because no industry will be directly and more immediately affected by the tragedy, the incomprehensible horror of yet another attack.

This is an industry that is as thoughtful and strategic yet welcoming as an industry in this country can be, and so because of that what we are saying is that we have the capacity to in fact change world views. I want to go back to the hypothesis that I suggested to you in my testimony.

If in fact letting everyone into this country is as unreasonable and unappealing as keeping everyone out, there is no perfection in life, and we are trying to manage risk and manage reality, and that is why we have said over and over security and travel are not incongruous. In fact, they are highly compatible. We are not Pollyannaish—believe me—about winning hearts and minds instantly. I believe you are a student of history. I appreciate your work for President Reagan. You and I both know we are now old enough to take the long view of issue evolution.

There is a generation of world leaders whose views of America and Americans were shaped in significant part by their experience living in this country and dealing with Americans. Whether it was attending the University of Michigan, as a hypothetical, for 4 years and they have developed a taste for football games on a Saturday afternoon and delivery pizza and everything else that goes with it, in ways that are subliminal and hard to quantify, those feelings about America and Americans have helped this country in its foreign policy.

My concern as a student of history is that future generations of world leaders will make judgments about America and Americans in a void. They will have no basis for personal judgment, and I have got to think—

Mr. ROHRABACHER. Well obviously we have to get people over here. I do remember that Ho Chi Min spent a considerable amount of time here. It did not make him any less of a communist. Many of the people who are terrorists who came over here walked away looking at Las Vegas thinking about how decadent it is, and went away wanting to destroy us.

Again, there are ideologies that cause people to hate us because they do not like what we stand for but I want you to go back with this one thought, and then, Mr. Chairman, I will end, and that is, if we are going to have a system that works, that we are talking about, people who come from foreign countries who check into hotels we should be able to immediately plug their names into a system so they can be checked upon to see if there on a terrorist list or something like that. Your industry should make a public statement as to whether you would support a system like that. Thank you very much, Mr. Chairman.

Mr. DELAHUNT. Yes. Thank you, Mr. Rohrabacher, and I feel I should go first to the gentleman from Las Vegas, but I will look instead to my right and yield as much time as he may consume to Mr. Farr but before Mr. Farr poses his questions, let me just observe what I am hearing is really not the responsibility of the industry, travel and tourism, but rather the responsibility of the government, and specifically the responsibility of the United States Congress to conduct the oversight that is necessary to address the problems that you, Mr. Rohrabacher, and others have alluded to.

And again, the need for oversight to ensure the effectiveness and the legitimacy and the validity of programs such as this are absolutely essential. We take that responsibility seriously. In the previous 6 years, I cannot remember one occasion when a committee in this House had this kind of a hearing to elicit testimony, and if Mr. Farr would indulge me for just another 30 seconds.

The GAO report that Mr. Gadiel refers to in his own testimony underscores that, and let me read into the record from that particular report:

“The U.S. Government’s process for assessing the risks of the visa waiver program has weaknesses.

“In 2004, the Department of Homeland Security established a unit to oversee the program and conduct those reviews. We identified several problems with the review process as key stakeholders were not consulted during portions of the process. Preparation for the in-country site visits was not consistent, and the final reports were untimely. Furthermore, the Department of Homeland Security cannot effectively achieve its mission to monitor and report on ongoing law enforcement and security concerns in visa waiver countries due to insufficient resources.”

It is time for the government to step up and meet its obligations. Mr. Farr.

Mr. ROHRABACHER. Mr. Chairman, thank you for the commission. We did conduct a hearing on visas, an extensive hearing in our subcommittee last year, and visa overstays was the focus but it covered some of these issues as well. I just wanted to put that in the record.

Mr. FARR. Mr. Chairman, it is interesting what I have heard today. I was disturbed by Mr. Gadiel’s anger with not—I am certainly empathetic to his loss. There is nothing worse than losing a child. But anger with people like Mr. Tisch and Secretary Gonzalez that they had something to do with this.

You know for the record, I think we are confusing a lot of stuff here. First of all, visa waiver countries do not get a waiver if they have high skips. So Mr. Rohrabacher’s statement about Korea—if indeed a lot of Koreans skip, coming over here legitimately and stay beyond their visa students or so on as tourists—that country does not qualify.

Also in checking the record, none of the hijackers, none of the hijackers were nationals of a visa waiver country. That means that every one of the hijackers had to get a passport from their host country, and then they had to get a visa. Two of the visas were issued in Berlin. So they got visas. So it was not a visa waiver.

They got visas. Two were issued in the United Arab Emirates, and all the rest were issued in Saudi Arabia.

People who got access to those applications, 19 of the hijackers submitted 24 applicants and received 23 visas. So this is not due to a visa waiver. This has to do with I think more basically the security on checks, and the difficulty we have and we are improving it is that background check. The host country nationals have to provide the background. We do not have the police records of everybody in problems in countries.

You have to work out ways to get that background information. Everybody even in a visa waiver country has to have an ID. That ID has to be used if not buying the ticket certainly on boarding the aircraft. Every single roster of every airplane coming into this country is checked by our intelligence agencies to see if there are any no-fly passengers on that list, and you know we have had a lot of problems because of same names. Even Senator Kennedy found out that there was a name of Ted Kennedy who was on the no fly list, not the Senator, but he actually got detained in airports because his name came up.

So I think that we really have to attack the problem, and one of the problems is that presently there are 8,000 official identifications used in the United States, 8,000. In fact unless anybody in this room is carrying their passport, nobody has an ID showing they are an American citizen in this room because we do not have such a thing unless you walk around with your birth certificate or your passport.

So you know I brought this up on the floor last year. What is in your wallet that shows you are an American citizen? Your driver's license is not. You do not have to be a national get a driver's license. I mean a citizen. You do not have to be a citizen to have a Social Security card.

So let us deal with the facts, and the facts are—and I did point out you know that there was a causal connection between poverty and terrorism because terrorism recruits from poverty. That is where it gets the recruitment. It also gets its support from people who do not have education, and I would submit to you that all of these terrorists with the hatred they had for the United States were ignorant people. I do not care what kind of an education they had. Because anybody that would lead with any kind of an education the feeling that that is the way a problem is an ignorant person.

So we have got a big problem because we have a lot of hatred in America, and I think what this is all about is how do you start turning that around? You do not turn it around by making America more of a fortress. Making it harder for people to get in. Making it harder for people to go around. We have talked about all of this sort of—you know, that terrorists are foreign. Frankly some of the biggest terrorist acts in this country have come from domestics. The Oklahoma City terrorism act, blowing up a whole building, end result no different than the 9/11. It was an American citizen did that.

How about the kids that went into the school in Colorado? How about the gangs that are developing in America right now and you know Homeland Security is very worried about sort of domestic ter-

rorism? That is not going to be solved by just making fortress America. So there is a lot of things that have to go on, but it seems to me that one of the things that you do is you get what a lot of you have talked about is this people-to-people.

People-to-people, you know, that is what families are about and communities are about. It is what Congress is about. That is what our democracy is, and it seems to me the more we do that, particularly for people that do not get to see this model except in how we portray it in television series.

I remember talking—we just recently had four, five Arabs, young Arabs. Four men and a woman come to this country. Never been in the United States before, and they were brought over here to do a travel through America and see what their attitudes about America was, and I met with them the first night that they were in the United States. They were here in Washington, DC, and I asked them what their families thought about them coming because there was a Palestinian woman who lived in Lebanon, and there was a Lebanese young medical student.

And obviously they all came because they spoke English. Their parents were professionals. And I asked them what they thought about coming. Their families thought about them coming to this country, and they all said, there was not one that wanted them to come. I said, “Why?” And they said, “Well this is the most violent country in the world.” They do not think we can be in this country without being shot. They shoot Arabs in this country.

And I kind of laughed. I said, “You have got to be kidding?” They said, “Well that is what they all think,” and these are, you know, educated people. This is what we have heard. This is what we have seen on television. So you know if that is from the educated people in this country who were given this opportunity to come about the fear or the image of America being the most violent country in the world, we are not going to win the hearts and minds of people by not allowing them to see the real America.

It was interesting because I also interviewed them in California which was their last night in the United States, and you know what they liked best about the United States? It was a program in Los Angeles of a priest that Dana may know. Others may know. I forget his name but he deals with ex-offenders and people that have really been in problems, and they were thinking what a country that would take the hardest people who have served time in our prisons and try to rehab them and rehab gang members. That left an incredible impression on them about a kind America, about an America that reaches out even to people who have done evil.

They also said, it was interesting when they were leaving, he said, we still are really concerned about America but for a different reason. You have so much. Everybody in this country is so privileged by an infrastructure that allows you access to education and so on. You have so much wealth compared to the rest of the country but you are so ignorant about the rest of the world. You know so little about what goes on.

So it seems to me that it is a two-way street. If we are going to improve both sides kind of ignorance about one another the way to do that is people-to-people, and what do you do with people-to-people? Is it the student that comes here on a student visa? Is not he

or she a tourist during the weekend going and visiting places? We define tourism in California as anybody more than 16 miles away from their home because they have got to eat in a restaurant or stay in a hotel, and that moment they are a tourist.

So I think the bottom line here, Mr. Chairman, and I will finish, is that I wish we could put all our focus into really talking about security for identification purposes, whether it is somebody stealing your persona and you know identity theft or whether somebody is trying to use fraudulent passports or fraudulent things to get into this country, that is where the emphasis has got to go, and frankly technology can do something.

If you can do an ATM card and you know that kind of technology and people are wanting to be more secure about the money than anything else, if we can figure out a way to be secure about money, we should also be able to figure out a way to be secure about identity, and therein I think is the solution to the problem. So I thank you for having this. I would be interested in any responses after Mr. Porter has had a chance to talk. Thank you, Mr. Chairman.

Mr. DELAHUNT. Thank you, Mr. Farr. Mr. Porter.

Mr. PORTER. Thank you, Mr. Chairman. I appreciate the comments but I would be remiss if I did not take exception of a few comments that were made by my colleague from California, and I am sorry that he has left the room but first of all I take truly being insulted by his comments that our community is made up of degenerates, and it is a true insult to the hardworking families, the men and women and kids in our community.

It is unfortunate that my colleague has that feeling. We have 40-some million visitors a year that come to our community. We feel we have the best shopping in the world, the best entertainment, and we have the hardest working families anywhere in the world, and again I am sorry that my colleague has left the room but I do take great exception to his comments regarding the community that I represent. We provide many types of entertainment that are legal in Nevada, but more importantly I do not think we are here today for me to point out areas of problems with California or other states.

We are here today to work together on a very serious problem, and that is what we can do to have people enjoy the experience of our country and our communities but I also take exception to the fact that people think worse of America after they visit the community of Las Vegas. Having traveled the world representing my district and Congress, we put a twinkle in the eye of a lot of people, and I am proud to say we are a community that has worked very hard to establish a reputation of the finest entertainment, the finest shopping experience, dining and yes, gaming is legal in the state of Nevada, but it is unfortunate that my colleague has chosen to use Las Vegas as an example.

And we are not the number one target for terrorism. We watch that very closely, and he mentioned that we are probably one of those targets, and again I take exception to that. Now back to the meeting at hand. I applaud your family, Mr. Gadiel. I appreciate what you have said today, and I do not think there is anyone here that disagrees with you that we need to find a way to make it safer and to increase security.

I think we want to make it harder for the wrong people to get into our country, and we want to make it easier for the right people to get in, and that is the purpose of Congressional involvement, and you know there are a lot of folks working hard at our borders trying to secure our country, and I know that every one of them is afraid they are going to let bin Laden in the door, and they do not want to be remembered as that border agent or that TSA agent that let bin Laden come through the gates at whatever port of entry it is.

And there is no question the system is broken, and I think that is what the industry is saying. The system is broken. They want to work as a partner with the Federal Government, local and state governments, to secure our communities. You know in the early 1980s we had a terrible, tragic fire in Nevada at one of our hotels. From that point on we changed the way we did business. We have built the safest hotels from security, fire, personal security because we learned from that experience.

I would like to believe that is what we are doing since 9/11 in this country, and in our great state is to learn from that. We have to find a way to make it work, and we owe it to your family. We owe it to the working families around the country. But as both colleagues have said, we have a lot to be proud of here in the United States. What can we do to showcase that? What can we do to allow people to visit our communities?

The industry is not in law enforcement, and I cannot speak for the hotels around our country but they are not law enforcement but they are security hubs, and they have tough security. But they are not law enforcement, and I do know that they are willing to work with law enforcement as we have in Nevada.

As I mentioned, we have 42 million visitors a year into Las Vegas. Almost 40 million plus that number travels through our airport. We have worked with TSA to move people fast but also efficiently, and our security is the toughest in the country getting through McCairn but we also want it to be the best experience when you visit our community. So I want to say thank you very much for all of you for being here, and I believe we can build a partnership. We have done it in many communities around the country, and I applaud the chairman for having this hearing. Thank you.

Mr. DELAHUNT. Thank you, Mr. Porter, and let me say that I have more than a passing interest in this particular issue. I can be accused of certain parochialisms since I represent the 10th Congressional District in Massachusetts which is described by many of my colleagues as the most beautiful piece of geography in the United States, and I concur.

We have a number of international visitors who come to the south shore to visit and observe our historical assets. In my hometown, the city of Quincy, the birthplace of two American Presidents, and then a short half-hour down to America's hometown, Plymouth, Massachusetts, which is where it all began. Where America was born, and then on to Cape Cod, Nantucket, Martha's Vineyard. I know many of you have visited those pristine beaches and those quaint villages. It is truly a remarkable venue, and one that millions of tourists each year visit particularly our national

seashore park which was really the brain child of President Jack Kennedy.

And so it is with a sense of pride and a parochial interest that I am concerned about the economic impact but let me go back to comments that others have made regarding the need to reverse that trend in world opinion about the United States. And how do we become a welcoming people? We know we are. We know we are generous in times of crisis. We are tolerant. We respect diversity. We clearly have blemishes on our national heritage but we have the courage in our democracy to address them, and that has been a byproduct of that history.

But we are, I would suggest, in a particular crisis at this moment. As I indicated earlier, we have conducted a series of hearings, and it is not one country versus another. It is an overall image that I am concerned about is deepening and taking hold, and it will require more and more treasure both in terms of people and in terms of the bottom line for us to rectify, to remedy.

You know let us look at just some discreet areas. Business travel. These are people who want to come here. Why do we see the precipitous drop in 2-year period of 10 percent? Why are international conferences, why are major sporting events relocating outside of the United States? And why are our most fierce competitors, the Europeans, seeing an uptick? How can we address that? And what does that tell us about the dynamic that is occurring?

We want these people to come here. We do not want to find ourselves tagging along after other regions in this world. Tell me, Mr. Freeman, if I am missing something.

Mr. FREEMAN. Indeed, you are not. I mean obviously we have seen the benefits of bringing travelers in. I do not want to be naive about it, and I think that suggestion might have been made earlier. Bringing more travelers into the country is not going to solve our public diplomacy problems around the world. It is not going to put a smile on everyone's face about the United States. Rebuilding America's image around the world—to the extent that we want to do that—required a multifaceted approach.

Mr. DELAHUNT. But it is one quiver.

Mr. FREEMAN. One way to do that is to bring more travelers into the country. You know it is funny that we get frustrated so often with what these folks see on Aljazeera. It is funny that we get upset with what they see from their own government leaders yet we will not give them the opportunity to see America for themselves. I am not sure what it is or how it is we want these folks to get a different perception of the U.S. if we are simply unwilling to let them see it for themselves.

Mr. DELAHUNT. And as you pointed out, Mr. Freeman, these are the people—and your surveys I think indicate that—these are the people that are predisposed toward the United States that come here with an attitude that is generally positive, and yet in the survey that I believe it was The Discover America Partnership conducted, we are ranked number one in the rudeness category. What kind of a message is that sending, and what happens to that legitimate traveler when he or she returns to his native country? What does he say to his colleagues, to his friends and to his family?

Mr. FREEMAN. Two things I would say. One, when it comes to rudeness indeed we were ranked the world's worst entry process, it is important to understand why travelers are saying that. DHS internal documents show that we are understaffed from a customs and border protection perspective at 19 of the top 20 inbound airports. Only San Francisco had sufficient staffing.

It is no wonder you have empty booths. It is no wonder travelers are waiting hours to get through the customs process if we are understaffed. Throw on top of that an official who does not greet them, who does not welcome them to America in many instances, and you can see why this takes on a life of its own.

Mr. DELAHUNT. And I can also appreciate the frustration of an overworked immigration official.

Mr. FREEMAN. Absolutely.

Mr. DELAHUNT. When those lines are interminable or you know a consular official someplace in India or elsewhere that is being besieged and overwhelmed by requests and does it ever end? And therefore, we end up with hundred day waits, and the applicant says, I am not going to bother. I am going to go to Western Europe for school, for medical care or for leisure travel. Mr. Merin.

Mr. MERIN. Mr. Chairman, perception is reality. I have worked on and around the Hill for 38 years. You are all veteran political people. You understand that changing minds is difficult. Changing emotions is even more difficult, and for too many people around the world their feelings about America and Americans are intrinsically tied to emotions. Subliminal feelings about their own personal experiences and the experiences of people they know affect their judgements.

Two thoughts. I was recently in Atlanta's Hartsfield Airport waiting in a long line going through the TSA screeners. I struck up a conversation with a British gentleman immediately ahead of me, and immediately ahead of him was an American gentleman. The three of us had a very pleasant conversation for about 20 minutes in line, and finally the American gentleman ahead of us, it was his turn with the TSA screener, and the TSA screener put this poor devil through his paces, and when she finished with him, she turned to the British traveler and said, "You are next."

And this lovely British gentleman said to her, "Can't you even attempt to be nice?" And her response to him was, "They do not pay me enough to be nice." How many times will that story be repeated in England, and what impact will it have? The vision that we have for a different way of welcoming people to this country is something very simple. Mr. Rohrabacher, I know this is of concern to you and I want you to know that we do not want to lessen security.

We want customs and border patrol officers to do the job they are doing, but do it more efficiently. We want them to do it more courteously. Consider two scenarios. The current scenario, where international arrivals wait behind the red line, at, let us say, JFK International Airport, waiting with great trepidation wondering what is about to happen to them, and finally it is their turn beyond the red line, and the CBP officer motions to them and they step forward. They hand him the passport, he swipes it and he throws it across the counter at them and says, "Next."

We have a different vision. The hospitality industry would say that CBP officers need to make contact with the person behind the red line at 10 feet and smile and say, "You are next." Say, "Welcome to America." Swipe the passport. Hand it to them and say, "Thank you for coming to my country." That costs the U.S. Government nothing but in terms of first impressions it is profound.

If you are coming to this country as an international arrival and you are doing it with great trepidation based upon the horror stories you have read and heard from friends about the entry process, my guess is you are going to go through security and then say, "These are actually nice people." Too little of that occurs. We want to change the culture of a bureaucracy that solely emphasizes security. We do not want to compromise security. We think that friendliness and a smile can be added at no cost to the process.

Mr. DELAHUNT. Well you are echoing my own sentiments; and I am sure, Mr. Gadiel, that you would welcome good and decent people to this country.

Mr. GADIEL. Absolutely.

Mr. DELAHUNT. And the key is to balance that security which is a legitimate concern. I do not think there is any disagreement by any members on this panel or any member in the House with the ability to do that and to take government to task for failures of providing first the resources, then the training, and the technologies to accomplish exactly what Mr. Merin and Mr. Freeman have spoken to.

This is not—I would suggest—simply about profits. We want friends. We need friends. If you believe that GAO report, the consequences of not having friends and a negative image in this country could very well be disastrous not just for our economy but for our efforts against those who would commit acts of terrorism against Americans. That is what we are trying to achieve here.

Let me ask you, and I would ask you, Mr. Gadiel, what do you think of the so-called—IRT is the acronym—the international registered traveler? I mean on its face it would appear to me to be a system that would at least help us limit the flow of business travelers elsewhere and allow us to compete with the Europeans and maybe, just maybe, begin to attract back those international conferences and meetings that are now going elsewhere. If you could explain it, Mr. Freeman, what the IRT is.

Mr. FREEMAN. Sure.

Mr. DELAHUNT. And what it would take to have it implemented.

Mr. FREEMAN. The international registered traveler program that we have outlined would begin with Americans who frequently travel outside of this country but be expanded to foreign travelers. First and foremost those travelers would have to agree to provide the U.S. with all additional biometric information that the Department of Homeland Security deems to be appropriate, whether that is 10 fingerprint scans, whether that is retina scans, whatever it may be the DHS determines to be appropriate, those travelers would have to provide that.

They would also have to provide greater biographical information. On top of that, they would pay hundreds of dollars to the U.S. Government for the right to be a part of this program. As a part of the program what would happen when they come into the U.S.

after paying let us say \$300, after providing biometric information, after providing biographical information, when they land at our airports they would go through a separate line, a separate entry process where they would provide their 10 fingerprints, they would prove that it is them, and they would be on their way.

What this would do is not only speed up the process for these travelers; it would allow the U.S. Government, the Department of Homeland Security with limited resources to focus its assets on those for whom we have less information. It would allow us to focus our assets on those who are coming to the U.S. for the first time, for those that may pose a risk. This seems like a win-win for both travelers and security.

Mr. DELAHUNT. Mr. Gadiel, do you have a response to what Mr. Freeman just said?

Mr. GADIEL. I mean it sounds like a wonderful program. I certainly would have no problem with what he has just described.

Mr. DELAHUNT. But are these not the kind of initiatives that we, the Government, working with the private sector have to take otherwise we are going to continue to see an erosion first of our image worldwide and regionally and as importantly particularly for people who represent districts like Mr. Porter and myself and Mr. Farr and also the ranking member where tourism represents a significant, if not the most paramount component of our local economy?

In Massachusetts, for example, tourism ranks as number three in terms of our regional economy, in terms of our state economy, and we are losing jobs. We are losing jobs, and we are turning people away that we ought not to turn away simply by attitudes and by the fact that these waits for visas and non visa waiver countries just take too long to process. This is not rocket science that we are talking about. This is just common sense I would suggest. Mr. Merin.

Mr. MERIN. We could not agree with you more, Mr. Chairman. It was just announced that 50,000 students from India that had been admitted to colleges and universities in the United States were unable to attend because they could not get a visa.

Mr. DELAHUNT. What does that mean? Let me interrupt, and again let me direct you know my comments to you, Mr. Gadiel. I am very concerned about what is happening to higher education here in the United States. While we were seeing a rapid decline in the number of applications, it has leveled off just recently but now we might note a 6-percent gain over 2001. Meanwhile Australia, the Europeans, the Middle East are witnessing an increase of 20, 30, 40 percent of students that are matriculating at their colleges and their universities.

I dare say that a significant benefit to our country in the larger sense of the term benefit has been that many foreigners have studied here, embraced to a significant degree our culture, understand our values, no what we are about, and have assumed in governments and in business, in various segments of their societies back in their native countries positions of leadership. It is a way to influence how the world looks at us, and I think it is a shame that we are losing, that we are losing on that score.

I would hope at some point in time to have a hearing with representatives of academia and higher education just to flesh out the

problem in where we are going and how to address it. We all want to balance security. We want to keep the bad people out but in the process of doing that we want to make sure that every legitimate traveler who comes to the United States has a positive experience and leaves with good things to say about us.

Mr. MERIN. Amen, Mr. Chairman. Under Secretary of State Hughes I think has one of the more difficult jobs in the Federal Government.

Mr. DELAHUNT. She does.

Mr. MERIN. I think she is very sincere and very earnest, and the story that I am about to repeat she has told as a matter of public record. Her first trip abroad after taking the job was to the Middle East, and one of her last stops was in Turkey. I believe in Ankara. And she was appearing before a very large audience of university students, and she was taking questions from the audience, and she recognized this young man, and in his question he asked, "Madam Under Secretary, does the Statue of Liberty still face out to the rest of the world?"

She laughed and said that we have an expression in America, "bigger than a bread box." It is really pretty big. You cannot turn it, and yes it is still sitting there in New York Harbor facing out to the world. Then all of a sudden it dawned on her. She realized what he was saying, and she said, "Absolutely it still faces out to the rest of the world."

"This country," she said, "is welcoming of people from around the world. We are a Nation of immigrants. We benefit from the immigrant experience. Our arms are open to the world." Then this young man said to her, "There is not anyone in this room who believes you," and the students broke out into applause. That is a chilling thought. This was an educated community of undergraduate and graduate students in Turkey, a United States ally, challenging the Under Secretary of State for public diplomacy.

Feelings run deep. As I indicated earlier, when it comes to thinking, 80 percent of it is emotion, 20 percent of it is intellect. So if that is an accurate barometer of where we are in the world, we are losing hearts and minds. This predicament far transcends business in general. This far transcends the parochial interests of travel and tourism. We as a nation, we as American citizens, have much to be concerned about.

Mr. DELAHUNT. Well, Mr. Gadiel, let me just point out one other thought that came to mind. I have had several conversations with respected physicians in the health community, the medical community in the Boston area, and they are now noticing that other nations are building first rate medical centers, and they are beginning to notice an exodus of American physicians out of our country. It is as if we are experiencing that term brain drain that I can remember being utilized during the Cold War about other nations coming to the United States, and I dare say if we get to that point, we are putting ourselves at risk.

Mr. GADIEL. Could I respond to a couple of points?

Mr. DELAHUNT. Of course.

Mr. GADIEL. First of all, Mr. Farr mentioned gangs, a very substantial number of the gang members. I think it is over half are themselves illegal aliens. A small point is the rudeness issue. I

mean you know I do not believe in rudeness. I can tell you that there is no monopoly on rudeness in this country. I took my family to England when one of my sons was a little boy, and he looked at the screen that the customs inspector was looking at, and a little boy, and the customs inspector said to him, "That is a violation of the official secrets act." He was quite serious. "You know you better watch out or I am going to have you arrested."

Our image around the world, I do not know how many people there are in—let us pick a country. Say the Palestinian state. But no matter how many people we let in, we can never overcome the affect of Aljazeera and the Saudi funded television stations that are propagandizing against us. We can let in half the population of half of the Palestinians of the world into this country in the next couple of years; we still will not overcome that.

I am not saying that I am opposed to tourism at all. It has almost been a characterizing of what I stand for here, and that is not the case. But if we are going to prevent a better image across the world, maybe we ought to talk to Hollywood and have them stop presenting us as the most violent country in the world.

The student visa issue, I did not come here prepared to talk about that issue but if we are suffering a brain drain of doctors it could be because that perhaps the college industry in its desire to bring in as much overseas revenue as possible is to some extent excluding American students, and there are only so many places in a medical school or what have, and when you start letting in thousands upon thousands of students from other countries, that means American students are not going to get the education.

And I might also add that several of the 9/11 terrorists had student visas, and it was unknown that they were not attending classes, and the reason for that is because of the college industry over the past many years has been successfully lobbying the government to stop the tracing of students who are not attending classes, and that you have there again another industry, the college industry, which has used its lobbying power in the Congress to in effect dismantle our system that used to control people who were in this country.

And I certainly agree with Mr. Freeman's proposal for the traveler. IRT you called it I think. But what I am distressed about is the use of their lobbying power to—as we have shown—to create a virtual visa waiver program for Saudi Arabia. There were visa requirements to Saudi Arabia but thanks to lobbying of the travel industry, it became a virtual visa waiver program, and Mr. Farr is in effect incorrect when he says that a visa was required from Saudi Arabia because those were handed out like candy due to the lobbying of this industry.

And we certainly do not disagree with improvements, and we recognize that the State Department has shown itself to be quite incompetent as well as DHS but there does not seem to be the resolve within the State Department or the DHS to fix those problems. So the solutions that these gentlemen are proposing, they are down in the dump until we have a State Department and DHS which seem to be incompetent.

Mr. DELAHUNT. Well what you are saying is you lack confidence in the government as opposed to enforce what I think these gentle-

men are suggesting would be improvements not only in terms of the free flow of legitimate travelers to this country but improvements in terms of our homeland security.

Mr. GADIEL. I would not argue with that at all.

Mr. DELAHUNT. Well again, then I would just harken back to your rather harsh comments about the industry, and I can assure you, Mr. Gadiel, I have never ever received the endorsement of the American Chamber of Commerce. Okay. But at the same time, I think to suggest a conscious effort to undermine the security of the country just simply based on profits is not an accurate characterization.

Let me just probe one more area. My friend, Mr. Rohrabacher, alluded to earlier in his own remarks about we do not know when people leave, and I think I heard from either Mr. Freeman or Mr. Merin about the concept of proceeding with an exit visa system, and if they could explain it, I would be interested in your response to determine whether this is something that you approved of and supported.

Mr. FREEMAN. As Mr. Merin outlined it before, the industry—those that support The Discover America Partnership—have proposed an expansion of the visa waiver program when and only when we have a full, effective exit system at our borders, particularly at our airports which are where over 99 percent of overseas travelers depart. This exit system would provide the U.S. for the first time real time information on whether or not travelers, immigrants or anyone else is actually leaving the country.

Today the biggest reason we do not let travelers into the country is we are simply not sure whether or not they are going to leave. So we determine whether or not countries are eligible for the visa waiver program based on the refusal rates in their country. A refusal rate is subjective.

An exit system and determining whether or not people should be in the visa waiver program based not on the refusal rate—although that would still be a factor—but based on whether or not they leave. Based on, as Mr. Merin outlined before, all the other requirements that would have to be met such as support on lost and stolen passports and in other security requirements. These are the ways that we can tell whether or not travelers or whether or not countries should be eligible for the visa waiver program.

I will mention that the visa waiver language coming over from the Senate as a part of the 9/11 bill puts in place a 2-percent overstay rate. If a country had more than 2-percent overstay, they would be kicked out of that program. This is a proposal that Senator Feinstein, Senator Vonovich and others have put in place. The Discover America Partnership has endorsed this proposal. So we do believe that using an exit system, using a reasonable overstay rate, and basing this on science rather than on conjecture is the way to proceed.

Mr. DELAHUNT. Thank you, Mr. Freeman. Mr. Gadiel.

Mr. GADIEL. Overstay rate in and of itself is not a sufficient guide. One reason that the people in the State Department implemented a virtual visa waiver program for Saudi Arabia was the fact that their overstay rate was very low, the per capita income in the nation of Saudi Arabia was quite high, and they were con-

cerned about whether a person intended to immigrate and remain in the country rather than terrorism.

So if they are going to use strictly the overstay rate, then that merely says well only a couple of percentage of people from Saudi Arabia actually want to immigrate to this country. But what is the percentage of people from that country who are dangerous? And that is the relevant question here, not the overstay rate.

Mr. FREEMAN. And if I could respond to that I appreciate that. Just to repeat myself, the overstay rate would be now the scientific aspect of this whole process but DHS would have to approve these countries. These countries would have to be supportive on lost and stolen passports. Mr. Merin read off a list before of all of the other requirements that these countries would be forced to meet if they want to be a part of the visa waiver program.

The other thing that is now coming online or will soon come online is an electronic travel authorization where every one of these travelers before even departing for the U.S. will now be required to provide biographical information, and we propose in our blueprint requiring those travelers to provide biometric information even before they leave for the U.S. So time and again we stand for more security but doing it in a way that is effective, and doing it in a way that is efficient.

Mr. DELAHUNT. Thank you, Mr. Freeman. I have read, by the way, your material, and let me also acknowledge that it was a failure of Congress in the then administration not to follow through and provide the resources for the national tourism organization. I think that was an egregious mistake.

I think we need coordination. My understanding is that it would be mainly funded by the private industry but again this is something that I would hope to explore with others to determine whether we could reinvigorate that dormant concept. I presume it is still on the books and still authorized unless it has been rescinded or repealed. Do either one of you gentlemen know?

Mr. MERIN. I believe the authorization has in fact expired. Just to emphasize the point, what we are talking about here is not promoting America. What we are talking about here is promoting the American brand.

The United States is a brand in the same way all the other countries in the world are brands, and in this case this brand has taken an enormous hit at a lot of different levels. We are talking about finding a way to invite people around the world to enjoy and appreciate the American brand, and we are inviting them to be part of the American experience; we think that is good for America, and it is good for our relations with the world.

Mr. DELAHUNT. Thank you all very much for your testimony, and before we adjourn I want to call on my colleague and friend, Mr. Rohrabacher, for any final comments he might have.

Mr. ROHRABACHER. Is there a fee when someone applies for a tourist visa? Is there a fee that they pay now? How much is that?

Mr. FREEMAN. Yes. You would be required to pay a \$100 fee for those in visa waiver countries for each travel.

Mr. ROHRABACHER. No. Right now is there a fee?

Mr. FREEMAN. For a visa traveler, yes. You have to pay \$100.

Mr. ROHRABACHER. So a tourist who wants to come here pays \$100. Is that dedicated specifically to the State Department? To the consular's office?

Mr. FREEMAN. That is intended to pay for all consular affairs activities although there are some who believe that that money finds its way elsewhere.

Mr. ROHRABACHER. Okay. And so what we should make sure is that money that is coming in through that fee goes directly to making sure the system is more efficient. Maybe that is something we could be doing. Rudeness and such is certainly something we should be insisting upon. The reforms, as I say, I have been totally—how do you say it—not satisfied with this administration. The reforms that we have seen coming from this administration or trying to make the system more efficient.

And finally let me note I think that when I was out there was some constituents on the outside—and they are the boss and I had to go see them for a minute—I believe from what I understand that my statement earlier on was misinterpreted or misheard by Mr. Porter, and I do not understand how he could have made this mistake but clearly there was no indication that I believe that Las Vegas is degenerate. I mean clearly, clearly I was stating that the terrorists believe Las Vegas is degenerate. Was there any misunderstanding of that from you folks?

I think that maybe when I mentioned bikinis quite frankly there are more bikinis on women in my district than in Las Vegas. I mentioned that being degenerate. I do not believe that is degenerate. So let us make sure that if I am going to be castigated I certainly did not refer to Las Vegas as degenerate.

Let me note also that when I heard Mr. Porter when I was coming in he said that Las Vegas is not a terrorist target. Let me just note for the record there was a 2004 *New York Times* article that stated specifically that terrorists, that al-Qaeda itself had targeted three casinos in Las Vegas. So any suggestion that Las Vegas is not a target for these al-Qaeda terrorists who believe Las Vegas and the rest of America to be degenerate—and that is why they can murder women and children but their supposed thinking of us as degenerate.

They did target Las Vegas as they have targeted other American cities, as they targeted New York. In fact, Ala Chake Mohammed, who has just recently been admitting his involvement in various terrorist plots, suggested that they were involved with this terrorist targeting of Las Vegas and other American targets.

So I am sorry, Mr. Chairman, if for some reason that someone could possibly misunderstand that I was not in any way indicating that I believe, like the terrorists do, about the nature of Las Vegas. In fact, that is I think people have a right to pursue happiness. That is part of pursuing happiness. I think it is wonderful. In terms of the way the radical Islamists look at it, however, they hate that part of our country. They hate your industry because your industry does represent the pursuit of happiness, people letting go and enjoying themselves, and we cannot give into them nor can we change our way of life.

We have to make sure that we make those reforms that are necessary for people to pursue happiness but at the same time that

we have a secure country, and I think that it is not contradictory but we have got to be very diligent that we do not then let shortsighted profit interest some way cloud our vision as to what is necessary for our security. Thank you very much for holding this hearing, Mr. Chairman. I think it has been very, very profitable and beneficial to us all.

Mr. DELAHUNT. Thank you, Mr. Rohrabacher. We will now adjourn and proceed to pursue happiness.

[Whereupon, at 5:03 p.m., the subcommittee was adjourned.]

